

PLAINS ALL AMERICAN PIPELINE LP
Form S-4
July 12, 2006

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As filed with the Securities and Exchange Commission on July 11, 2006

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Plains All American Pipeline, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

4610
(Primary Standard Industrial
Classification Code Number)

76-0669671
(I.R.S. Employer
Identification No.)

**333 Clay Street, Suite 1600
Houston, Texas 77002
(713) 646-4100**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Tim Moore
Vice President and General Counsel
333 Clay Street, Suite 1600
Houston, Texas 77002
(713) 646-4100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

David P. Oelman
Vinson & Elkins L.L.P.
2300 First City Tower
1001 Fannin Street
Houston, Texas 77002-6760
(713) 758-2222

Irvin Toole, Jr.
President and Chief Executive Officer
Pacific Energy Management LLC
5900 Cherry Avenue
Long Beach, California 90805-4408
(562) 728-2800

Kelly B. Rose
Baker Botts L.L.P.
910 Louisiana
One Shell Plaza
Houston, Texas 77002
(713) 229-1234

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective and upon consummation of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Title of Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Units	25,860,141	N/A	\$1,096,873,004	\$117,366

(1) Represents the estimated maximum number of common units of the Registrant to be issued in the merger to holders of common units of Pacific Energy Partners, L.P., determined in accordance with the terms of the merger agreement.

(2) Estimated solely for the purpose of calculating the registration fee under Rule 457 under the Securities Act of 1933, based on the product of \$32.66 (the average of the high and low prices of Pacific's common units on July 5, 2006, on the New York Stock Exchange composite tape) and 33,584,599 (the number of Pacific common units outstanding and eligible for exchange into Plains common units pursuant to the merger agreement plus (a) the number of units reserved for issuance upon the vesting of outstanding Pacific restricted common unit awards and (b) the maximum number of Pacific common units that could be issued by Pacific prior to the effective time of the merger pursuant to the merger agreement).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this joint proxy statement/prospectus is not complete and may be changed. This joint proxy statement/prospectus is not an offer to sell nor should it be considered a solicitation of an offer to buy the securities described herein in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION dated July 11, 2006

Dear Unitholders:

On June 11, 2006, the board of directors of Plains All American GP LLC, which is the general partner of Plains AAP, L.P., the general partner of Plains All American Pipeline, L.P. ("Plains"), and the board of directors of Pacific Energy Management LLC, which is the general partner of Pacific Energy GP, LP, the general partner of Pacific Energy Partners, L.P. ("Pacific"), agreed to combine the businesses of Plains and Pacific by merging. As a result of the merger, the outstanding general partner and limited partner interests in Pacific will be extinguished, Pacific will be merged into Plains, and the Pacific operating subsidiaries will be directly or indirectly owned by Plains. Plains' management team and board of directors will continue in their current roles and manage the combined company. In the merger, each Pacific common unitholder (other than LB Pacific, LP, the owner of Pacific's general partner) will receive 0.77 common units of Plains for each Pacific common unit that the Pacific unitholder owns. It is generally expected that neither the Plains common unitholders nor the Pacific common unitholders who receive Plains common units in exchange for their Pacific common units will recognize any gain or loss for U.S. federal income tax purposes as a result of the merger.

The approval and adoption of the merger agreement and the merger and the issuance of Plains common units pursuant to the merger agreement requires the approval of a majority of Plains' outstanding common units. In addition, the merger agreement and the merger must be approved and adopted by a majority of Pacific's outstanding common units (other than Pacific common units held by LB Pacific, LP) and a majority of Pacific's outstanding subordinated units, each voting separately as a class. All of Pacific's outstanding subordinated units are owned by LB Pacific, LP. Plains and Pacific have each scheduled special meetings of their unitholders to vote on these matters on _____, 2006. Regardless of the number of units you own or whether you plan to attend the meeting or meetings in which you would have an interest, it is important that your units be represented and voted at the meeting. Voting instructions are set forth inside this joint proxy statement/prospectus. Abstentions and broker non-votes will have the same effect as a vote against the transactions described in this joint proxy statement/prospectus.

The board of directors of Plains All American GP LLC (the "Plains board") has unanimously approved and adopted the merger agreement, has determined that it is advisable and in the best interest of Plains and Plains' unitholders, and has approved the issuance of Plains common units pursuant to the merger agreement. Accordingly, the Plains board recommends that Plains' common unitholders vote to approve and adopt the merger agreement and the merger and vote to approve the issuance of Plains common units pursuant to the merger agreement.

The conflicts committee of the board of directors of Pacific Energy Management LLC (the "Pacific conflicts committee") has unanimously approved and adopted the merger agreement and determined that it is advisable and in the best interests of Pacific and Pacific's unitholders (other than LB Pacific, LP). The board of directors of Pacific Energy Management LLC (the "Pacific board") has unanimously approved and adopted the merger agreement and determined that it is advisable and in the best interests of Pacific and Pacific's equityholders. Accordingly, the Pacific conflicts committee and the Pacific board recommend that Pacific's unitholders vote to approve and adopt the merger agreement and the merger.

This joint proxy statement/prospectus provides you with detailed information about the proposed merger and related matters. Plains and Pacific both encourage you to read the entire document carefully. **In particular, please read "Risk Factors" beginning on page 24 of this joint proxy statement/prospectus for a discussion of risks relevant to the merger and the combined company.**

Plains' common units are listed on the NYSE under the symbol "PAA," and Pacific's common units are listed on the NYSE under the symbol "PPX."

Chairman and Chief Executive Officer,
Plains All American GP LLC

President and Chief Executive Officer,
Pacific Energy Management LLC

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

This document is dated _____, 2006, and was first mailed to unitholders on or about _____, 2006.

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This document incorporates by reference important business and financial information about both Plains and Pacific that is not included in or delivered with this document. Please read "Where You Can Find More Information."

You can obtain any of the documents incorporated by reference into this document from Plains or Pacific, as the case may be, or from the Securities and Exchange Commission's website at <http://www.sec.gov>. Documents incorporated by reference are available from Plains and Pacific without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference into this document. You may obtain documents incorporated by reference into this document by requesting them in writing or by telephone from the appropriate company as follows:

Plains All American Pipeline, L.P.
333 Clay Street, Suite 1600
Attention: Investor Relations
Houston, Texas 77002
Telephone: (713) 646-4222

Pacific Energy Partners, L.P.
5900 Cherry Avenue
Attention: Investor Relations
Long Beach, California 90805
Telephone: (562) 728-2871

You should request the documents incorporated by reference no later than , 2006 to obtain timely delivery. Please be sure to include your complete name and address in your request. If you request any documents, Plains or Pacific will mail them to you by first class mail, or another equally prompt means, within one business day after receipt of your request.

All information in this document concerning Plains has been furnished by Plains. All information in this document concerning Pacific has been furnished by Pacific. Plains has represented to Pacific, and Pacific has represented to Plains, that the information furnished by and concerning one another is true and correct.

Houston, Texas
, 2006

Notice of Special Meeting of Common Unitholders

To the Common Unitholders of Plains All American Pipeline, L.P.:

A special meeting of holders of common units of Plains All American Pipeline, L.P. ("Plains") will be held on _____, 2006 at 10:00 a.m., local time, at _____, Houston, Texas, for the following purposes:

To consider and vote upon the approval and adoption of the Agreement and Plan of Merger dated as of June 11, 2006, by and among Plains, Plains AAP, L.P., Plains All American GP LLC, Pacific Energy Partners, L.P., Pacific Energy Management LLC and Pacific Energy GP, LP, as it may be amended from time to time (the "Merger Agreement"), and the merger contemplated by the Merger Agreement;

To consider and vote upon the approval of the issuance of common units of Plains to the common unitholders of Pacific Energy Partners, L.P. (other than LB Pacific, LP), as provided in the Merger Agreement; and

To transact other business as may properly be presented at the meeting or any adjournments of the meeting.

The board of directors of Plains All American GP LLC (the "Plains board") has unanimously approved and adopted the Merger Agreement, has determined that it is advisable and in the best interest of Plains and Plains' common unitholders, and has approved the issuance of Plains common units pursuant to the Merger Agreement. Accordingly, the Plains board recommends that Plains' common unitholders vote to approve and adopt the Merger Agreement and the merger and vote to approve the issuance of Plains common units pursuant to the Merger Agreement.

The proposals described above require the affirmative vote of a majority of Plains' outstanding common units. As a result, abstentions and broker non-votes will have the same effect as a vote against the proposals.

Only common unitholders of record at the close of business on _____, 2006 are entitled to notice of and to vote at the meeting and any adjournments of the meeting. Plains will keep at its offices in Houston, Texas, a list of common unitholders entitled to vote at the meeting available for inspection for any purpose relevant to the meeting during normal business hours for the 10 days before the meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE VOTE IN ONE OF THE FOLLOWING WAYS:

use the toll-free telephone number shown on the proxy card;

use the internet website shown on the proxy card; or

mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope. It requires no postage if mailed in the United States.

By order of the Board of Directors of Plains All American GP LLC, as general partner of Plains AAP, L.P., the general partner of Plains All American Pipeline, L.P.

Secretary
Plains All American GP LLC

Long Beach, California
, 2006

Notice of Special Meeting of Unitholders

To the Unitholders of Pacific Energy Partners, L.P.:

A special meeting of holders of common units and subordinated units of Pacific Energy Partners, L.P. ("Pacific") will be held on _____, 2006 at 8:00 a.m., local time, at 5900 Cherry Avenue, Long Beach, California, for the following purposes:

To consider and vote upon the approval and adoption of the Agreement and Plan of Merger dated as of June 11, 2006, by and among Plains All American Pipeline, L.P., Plains AAP, L.P., Plains All American GP LLC, Pacific, Pacific Energy Management LLC and Pacific Energy GP, LP, as it may be amended from time to time (the "Merger Agreement"), and the merger contemplated by the Merger Agreement; and

To transact other business as may properly be presented at the meeting or any adjournments of the meeting.

The conflicts committee of the board of directors of Pacific Energy Management LLC (the "Pacific conflicts committee") has unanimously approved and adopted the Merger Agreement and determined that it is advisable and in the best interests of Pacific and Pacific's common unitholders (other than LB Pacific, LP). The full board of directors of Pacific Energy Management LLC (the "Pacific board") has unanimously approved and adopted the Merger Agreement and determined that it is advisable and in the best interests of Pacific and Pacific's equityholders. Accordingly, the Pacific conflicts committee and the Pacific board recommend that Pacific's unitholders vote to approve and adopt the Merger Agreement and the merger.

The proposals described above require the affirmative vote of a majority of Pacific's outstanding common units (other than Pacific common units held by LB Pacific, LP) and a majority of Pacific's outstanding subordinated units, each voting separately as a class. As a result, abstentions and broker non-votes will have the same effect as a vote against the proposal. All of Pacific's outstanding subordinated units are owned by LB Pacific, LP.

Only unitholders of record at the close of business on _____, 2006 are entitled to notice of and to vote at the meeting and any adjournments of the meeting. Pacific will keep at its offices in Long Beach, California, a list of unitholders entitled to vote at the meeting available for inspection for any purpose relevant to the meeting during normal business hours for the 10 days before the meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE VOTE IN ONE OF THE FOLLOWING WAYS:

use the toll-free telephone number shown on the proxy card;

use the internet website shown on the proxy card; or

mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope. It requires no postage if mailed in the United States.

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By order of the Board of Directors of Pacific Energy Management LLC, as the general partner of Pacific Energy GP, LP, the general partner of Pacific Energy Partners, L.P.

Senior Vice President, General Counsel and Secretary
Pacific Energy Management LLC

JOINT PROXY STATEMENT/PROSPECTUS

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q:

Why am I receiving these materials?

A:

Plains and Pacific have agreed to combine their businesses by merging Pacific with and into Plains. The merger cannot be completed without the approval of the unitholders of both Plains and Pacific.

Q:

What will happen to Pacific as a result of the merger?

A:

As a result of the merger, the general partner and limited partner interests of Pacific will be extinguished, Pacific will be merged with and into Plains, and the Pacific operating subsidiaries will be directly or indirectly owned by Plains. Plains' management team and board of directors will continue in their current roles and manage the combined company.

Q:

What will Pacific common unitholders receive in the merger?

A:

Each Pacific common unitholder (other than LB Pacific, LP, the owner of Pacific's general partner) will receive 0.77 Plains common units in exchange for each Pacific common unit that the unitholder owns at the effective time of the merger. If the exchange ratio would result in a Pacific common unitholder being entitled to receive a fraction of a Plains common unit, that unitholder will receive in lieu of such fractional interest cash from Plains in an amount equal to the amount of such fractional interest multiplied by the average closing price of Plains common units on the NYSE during the five trading days ending on the third business day prior to the consummation of the merger.

Q:

What will the owner of Pacific's general partner receive in the merger?

A:

LB Pacific, LP, the owner of Pacific's general partner, will receive cash and will not receive Plains common units in the merger. LB Pacific and Plains have entered into a purchase agreement in connection with the execution of the merger agreement, pursuant to which Plains has agreed, subject to the terms and conditions of the purchase agreement, to purchase from LB Pacific immediately prior to the merger (i) all of the issued and outstanding limited partner interests in Pacific Energy GP, LP, the general partner of Pacific, (ii) the sole member interest in Pacific Energy Management LLC, the general partner of Pacific Energy GP, LP, (iii) 2,616,250 Pacific common units and (iv) 7,848,750 Pacific subordinated units for an aggregate purchase price of \$700 million in cash. The purchase agreement may be terminated by LB Pacific or Plains if the merger agreement is terminated, and is subject to customary closing conditions, including satisfaction of all conditions specified in the merger agreement.

Q:

What will Plains common unitholders receive in the merger?

A:

Plains common unitholders will simply retain the Plains common units they currently own. They will not receive any additional Plains units in the merger.

Q:

What happens to my future distributions?

A:

Once the merger is completed, Pacific common unitholders (other than LB Pacific) will own Plains common units and, when distributions are approved and declared by the general partner of Plains, will receive distributions on their Plains common units in accordance with Plains' partnership agreement. Current Plains common unitholders will continue to receive distributions on their common units. Distributions are made in accordance with Plains' partnership agreement and at the discretion of the Plains board. Plains' management intends to recommend that the Plains board increase Plains' quarterly distribution from the current \$0.7075 per unit (\$2.83 annualized) to \$0.80

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per unit (\$3.20 annualized) following the closing of the merger. On a comparative basis, assuming a \$3.20 annualized Plains distribution rate and giving effect to the exchange ratio, a Pacific unitholder's quarterly distribution would increase 8.5% from the current \$0.5675 per existing Pacific common unit (\$2.27 annualized) to \$0.616 per existing Pacific common unit (\$2.464 annualized) following the closing of the merger. For a description of the distribution provisions of Plains' partnership agreement, please read "Comparison of the Rights of Plains and Pacific Common Unitholders."

Q: *Has Plains' general partner agreed to reduce the incentive distributions it would otherwise receive following the merger?*

A: Yes. Plains' general partner, in support of the transaction, has agreed to reduce the incentive distributions it would otherwise have received by \$65 million in the aggregate over five four-quarter periods following the merger, beginning on the earlier to occur of (i) the first quarterly distribution declared and paid after the closing of the merger that equals or exceeds \$0.80 per unit or (ii) the second quarterly distribution declared and paid after the closing of the merger. The date on which the event described in clause (i) or (ii) above first occurs is referred to in this joint proxy statement/prospectus as the "initial date." The reduction will be equal to \$20 million in the aggregate for the first four quarters after and including the initial date, \$15 million in the aggregate for the second four quarters, \$15 million in the aggregate for the third four quarters, \$10 million in the aggregate for the fourth four quarters, and \$5 million in the aggregate for the fifth four quarters.

Q: *Should Pacific unitholders send in their certificates representing Pacific common units now?*

A: No. After the merger is completed, Pacific common unitholders who hold their units in certificated form will receive written instructions for exchanging their certificates representing Pacific common units. Please do not send in your certificates representing Pacific common units with your proxy card.

Q: *What unitholder approvals are needed to complete the merger?*

A: The following unitholder approvals are needed to complete the merger:

the affirmative vote of the holders of at least a majority of Pacific's outstanding common units (excluding common units held by LB Pacific) and at least a majority of Pacific's outstanding subordinated units, each voting as a separate class; and

the affirmative vote of the holders of at least a majority of Plains' outstanding common units.

As of the record date of the Pacific special meeting, directors and executive officers of Pacific and their affiliates had the right to vote Pacific common units, or approximately % of Pacific's outstanding common units, excluding common units held by LB Pacific. Pacific currently expects that all of the directors and executive officers of Pacific will vote their common units in favor of the merger agreement and the merger, although none of them has entered into any agreement obligating them to do so. In addition, LB Pacific owns all of Pacific's outstanding subordinated units. Pacific currently expects that LB Pacific will vote its subordinated units in favor of the merger agreement and the merger. Pursuant to the purchase agreement, LB Pacific has agreed to use its commercially reasonable efforts to take all appropriate action necessary or advisable to consummate and make effective the transactions contemplated by, and to satisfy the closing conditions of, the purchase agreement and the merger agreement as promptly as practicable.

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As of the record date of the Plains special meeting, directors and executive officers of Plains and their affiliates had the right to vote Plains common units, or approximately % of Plains' outstanding common units. Plains currently expects that all of the directors and executive officers of Plains and their affiliates will vote their common units in favor of the merger, although none of them has entered into any agreement obligating them to do so.

Q: *When do you expect the merger to be completed?*

A: Plains and Pacific are working to complete the merger as soon as possible. A number of conditions must be satisfied before Plains and Pacific can complete the merger, including approval by the unitholders of both Plains and Pacific, the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the approval of certain state regulatory bodies. Although we cannot be sure when all of the conditions to the merger will be satisfied, Plains and Pacific expect to complete the merger in the fourth quarter of 2006. Please read "The Merger Agreement Conditions to the Merger."

Q: *What are the tax consequences to common unitholders of the transaction?*

A: It is expected that neither the Plains common unitholders nor the Pacific common unitholders who receive Plains common units in exchange for their Pacific common units will recognize any gain or loss for U.S. federal income tax purposes as a result of the merger, except with respect to cash received in lieu of fractional Plains common units and with respect to a net decrease in a unitholder's share of nonrecourse liabilities. A net decrease in a unitholder's share of nonrecourse liabilities is not expected to occur as a result of the merger. For a description of the expected material federal income tax consequences of the merger and the holding of Plains common units after the merger, please read the information set forth in "Material Federal Income Tax Consequences."

Q: *What taxes will unitholders of the combined company be subject to?*

A: In addition to federal income taxes, unitholders of the combined company will be subject to other taxes, such as Canadian federal and provincial taxes, state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which Plains does business or owns property but in which such unitholders may not reside.

Q: *What do I need to do now?*

A: You should read this joint proxy statement/prospectus carefully. Then, if you choose to vote by proxy, you should do so as soon as possible by following the instructions listed on your proxy card.

Q: *What if I do not vote?*

A: If you do not return your proxy or if you abstain from voting, it will have the same effect as a vote against the proposals. If you sign and return your proxy card but do not indicate how you want to vote, your proxy will be counted as a vote in favor of the proposals.

Q: *If my units are held in "street name" by my broker, will my broker vote my units for me?*

A: Your broker cannot vote your units for or against approval and adoption of the merger agreement and the merger or the issuance of Plains common units pursuant to the merger agreement unless you tell the broker how you wish to vote. To tell your broker how to vote, you should follow the directions that your broker provides to you. A non-vote by your broker will have the same effect as a vote against the proposals described in this document.

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Q:

If I am planning on attending a meeting in person, should I still vote by proxy?

A:

Yes. Whether or not you plan to attend a meeting, you should vote by proxy indicated on your proxy card. Your units will not be voted if you do not vote your proxy or if you do not vote in person at the scheduled special meetings of the unitholders of Pacific and the unitholders of Plains to be held on _____, 2006. This would have the same effect as a vote against the proposals.

Q:

Can I change my vote after I have voted by proxy?

A:

Yes. You can change your vote at any time before your proxy is voted at the meeting by following the procedures set forth in "The Special Unitholder Meetings Voting Procedures Revocation."

Q:

Whom do I call if I have further questions about voting, the meetings or the merger?

A:

Plains unitholders may call Plains' Investor Relations department at (713) 646-4222. If you would like additional copies, without charge, of Plains' proxy statement or if you have questions about the merger, including the procedures for voting your units, you should contact Morrow & Co., Inc., which is assisting Plains in the solicitation of proxies, as follows:

Morrow & Co., Inc.

470 West Avenue 3rd Floor
Stamford, CT 06902

paalp.info@morrowco.com

Banks and Brokerage Firms, please call (203) 658-9400

All others, please call (800) 607-0088

Pacific unitholders may call Pacific's Investor Relations department at (562) 728-2871. If you would like additional copies, without charge, of Pacific's proxy statement or if you have questions about the merger, including the procedures for voting your units, you should contact D.F. King & Co., Inc., which is assisting Pacific in the solicitation of proxies, as follows:

D.F. King & Co., Inc.

48 Wall Street
New York, NY 10005

PPX.info@DFKing.com

Banks and Brokerage Firms, please call (212) 269-5550

All others, please call (800) 769-4414

SUMMARY

This summary highlights some of the information in this joint proxy statement/prospectus. It may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the terms of the merger, you should read carefully this document, the documents incorporated by reference and the full text of the merger agreement included as Annex A to this document. Please also read "Where You Can Find More Information."

The Merger Parties (page 113)

Pacific Energy Partners, L.P.

Pacific is a publicly traded Delaware limited partnership engaged principally in the business of gathering, transporting, storing, and distributing crude oil, refined products and other related products. It generates revenue primarily by transporting such commodities on its pipelines, by leasing capacity in its storage tanks, and by providing other terminalling services. Pacific also buys and sells crude oil, activities that are generally complementary to its other crude oil operations. Pacific conducts its business through two business units, the West Coast Business Unit, incorporating activities in California and the Philadelphia, Pennsylvania area, and the Rocky Mountain Business Unit, which includes activities in five Rocky Mountain states and the province of Alberta, Canada.

Pacific's principal executive offices are located at 5900 Cherry Avenue, Long Beach, California 90805, and its phone number is (562) 728-2800.

Plains All American Pipeline, L.P.

Plains is a publicly traded Delaware limited partnership engaged in interstate and intrastate crude oil transportation and crude oil gathering, marketing, terminalling and storage, as well as the marketing and storage of liquefied petroleum gas and other natural gas related petroleum products. In addition, through its 50% equity ownership in PAA/Vulcan Gas Storage, LLC ("PAA/Vulcan"), Plains is engaged in the development and operation of natural gas storage facilities.

Plains is one of the largest midstream crude oil companies in North America. As of March 31, 2006, Plains owned approximately 15,000 miles of active crude oil pipelines, approximately 39 million barrels of active terminalling and storage capacity and approximately 500 transport trucks. Currently, Plains handles an average of over 3 million barrels per day of physical crude oil through its extensive network of assets located in major oil producing regions of the United States and Canada.

Plains' principal executive offices are located at 333 Clay Street, Suite 1600, Houston, Texas 77002, and its phone number is (713) 646-4100.

The Merger (page 48)

Pursuant to the merger agreement, at the effective time of the merger, Pacific will merge with and into Plains, and the outstanding common units of Pacific (other than the common units owned by LB Pacific) will be converted into the right to receive Plains common units. Pacific will cease to exist following the merger. Each Pacific common unitholder (other than LB Pacific) will receive 0.77 Plains common units in exchange for each Pacific common unit that the unitholder owns at the effective time of the merger. If the exchange ratio would result in a Pacific common unitholder being entitled to receive a fraction of a Plains common unit, that unitholder will receive in lieu of such fractional interest cash from Plains in an amount equal to the amount of such fractional interest multiplied by the average closing price of Plains common units on the NYSE during the five trading days ending on the third business day prior to the consummation of the merger.

Once the merger is completed, Pacific common unitholders (other than LB Pacific) will own Plains common units in lieu of their Pacific common units and, when distributions are declared by Plains' general partner and paid by Plains, they will receive distributions on their Plains common units in accordance with Plains' partnership agreement. Plains' management intends to recommend that the Plains board increase Plains' quarterly distribution from the current \$0.7075 per unit (\$2.83 annualized) to \$0.80 per unit (\$3.20 annualized) following the closing of the merger. Additionally, Plains' general partner, in support of the transaction, has agreed to reduce the incentive distributions it would otherwise receive by \$65 million in the aggregate over five four-quarter periods following the merger, beginning on the earlier to occur of (i) the first quarterly distribution declared and paid after the closing of the merger that equals or exceeds \$0.80 per unit or (ii) the second quarterly distribution declared and paid after the closing of the merger. The reduction will be equal to \$20 million in the aggregate for the first four quarters after and including the initial date, \$15 million in the aggregate for the second four quarters, \$15 million in the aggregate for the third four quarters, \$10 million in the aggregate for the fourth four quarters, and \$5 million in the aggregate for the fifth four quarters. For a description of the distribution provisions of Plains' partnership agreement, please read "Comparison of the Rights of Plains and Pacific Common Unitholders."

Transactions Related to the Merger (page 100)

In connection with the execution of the merger agreement, Plains entered into a purchase agreement with LB Pacific as of June 11, 2006, pursuant to which Plains has agreed, subject to the terms and conditions set forth in the purchase agreement, to purchase from LB Pacific immediately prior to the merger (i) all of the issued and outstanding limited partner interests in Pacific Energy GP, LP, the general partner of Pacific, (ii) the sole member interest in Pacific Energy Management LLC, the general partner of Pacific Energy GP, LP, (iii) 2,616,250 Pacific common units and (iv) 7,848,750 Pacific subordinated units, for an aggregate purchase price of \$700 million in cash. The purchase agreement may be terminated by LB Pacific or Plains if the merger agreement is terminated, and is subject to customary closing conditions, including satisfaction of all conditions specified in the merger agreement.

Directors and Management of Plains Following the Merger (page 124)

Plains' management team and board of directors will continue in their current roles and will manage the combined company.

Market Prices of Plains and Pacific Common Units Prior to Announcing the Proposed Merger

Plains' common units are traded on the NYSE under the symbol "PAA." Pacific common units are traded on the NYSE under the symbol "PPX." The following table shows the closing unit prices of Plains and Pacific common units on June 9, 2006 (the last full trading day before Plains and Pacific announced the proposed merger) and the average closing unit price of Plains and Pacific common units during the 20-day trading period prior to and including June 9, 2006.

Date/Period	Plains Common Units	Pacific Common Units
June 9, 2006	\$ 46.10	\$ 32.09
20-day average	46.23	31.14

The Special Unitholder Meetings (page 42)

Pacific Special Unitholder Meeting

Where and when: The Pacific special unitholder meeting will take place at 5900 Cherry Avenue, Long Beach, California, on , 2006 at 8:00 a.m., local time.

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What you are being asked to vote on: At the Pacific meeting, Pacific common unitholders (other than LB Pacific) and the Pacific subordinated unitholder will separately vote on the approval and adoption of the merger agreement and the merger. Pacific unitholders also may be asked to consider other matters as may properly come before the meeting. At this time, Pacific knows of no other matters that will be presented for the consideration of its unitholders at the meeting.

Who may vote: You may vote at the Pacific meeting if you owned Pacific common units (excluding LB Pacific) or Pacific subordinated units at the close of business on the record date, _____, 2006. On that date, there were _____ Pacific common units (excluding common units held by LB Pacific) and _____ Pacific subordinated units outstanding. You may cast one vote for each outstanding Pacific common unit or Pacific subordinated unit, as applicable, that you owned on the record date. All of the outstanding Pacific subordinated units are owned by LB Pacific.

What vote is needed: The affirmative vote of at least a majority of Pacific's outstanding common units (excluding common units held by LB Pacific) and the affirmative vote of at least a majority of Pacific's outstanding subordinated units, each voting as a separate class, is required to approve and adopt the merger agreement and the merger.

Plains Special Unitholder Meeting

Where and when: The Plains special unitholder meeting will take place at _____, Houston, Texas, on _____, 2006, at 10:00 a.m., local time.

What you are being asked to vote on: At the Plains meeting, Plains unitholders will vote on the approval and adoption of the merger agreement and the merger. Additionally, the Plains unitholders will vote on the approval of the issuance of Plains common units pursuant to the merger agreement, which Plains currently estimates to be approximately 22.3 million Plains common units. Plains unitholders also may be asked to consider other matters as may properly come before the meeting. At this time, Plains knows of no other matters that will be presented for the consideration of its unitholders at the meeting.

Who may vote: You may vote at the Plains meeting if you owned Plains common units at the close of business on the record date, _____, 2006. On that date, there were _____ Plains common units outstanding. You may cast one vote for each Plains common unit that you owned on the record date.

What vote is needed: The affirmative vote of at least a majority of Plains' outstanding common units is required to approve and adopt the merger agreement and the merger and to approve the issuance of Plains common units pursuant to the merger agreement.

Recommendations to Unitholders

To Pacific Unitholders (page 57):

The conflicts committee (the "Pacific conflicts committee") of the board of directors (the "Pacific board") of Pacific Energy Management LLC, the general partner of Pacific Energy GP, LP, the general partner of Pacific (unless the context requires otherwise, Pacific Energy Management LLC and Pacific Energy GP, LP are collectively referred to as "Pacific's general partner"), comprised of directors who are deemed to be independent of the interests of Pacific's general partner, has considered the benefits of the merger as well as the associated risks and has unanimously approved and adopted the merger agreement and determined that it is advisable and in the best interests of Pacific and Pacific's common unitholders (other than LB Pacific). Accordingly, the Pacific conflicts committee recommends that Pacific unitholders vote to approve and adopt the merger agreement and the merger.

The Pacific board has considered the benefits of the merger as well as the associated risks and has unanimously approved and adopted the merger agreement and determined that it is advisable and in the best interests of Pacific and Pacific's equityholders. Accordingly, the Pacific board recommends that Pacific unitholders vote to approve and adopt the merger agreement and the merger.

Pacific's unitholders are urged to review carefully the background and reasons for the merger described under "The Merger" and the risks associated with the merger described under "Risk Factors."

To Plains Unitholders (page 61):

The entire board of directors of Plains All American GP, LLC (the "Plains board"), the general partner of Plains AAP, L.P., the general partner of Plains (unless the context requires otherwise, Plains All American GP LLC and Plains AAP, L.P. are collectively referred to as "Plains' general partner"), including those directors who are independent of the general partner interest, has considered the benefits of the merger as well as the associated risks and has unanimously approved and adopted the merger agreement, has determined that it is advisable and in the best interest of Plains and Plains' common unitholders, and has approved the issuance of Plains common units pursuant to the merger agreement. Accordingly, the Plains board recommends that Plains' common unitholders vote to approve and adopt the merger agreement and the merger and vote to approve the issuance of Plains common units pursuant to the merger agreement.

Plains' common unitholders are urged to review carefully the background and reasons for the merger described under "The Merger" and the risks associated with the merger described under "Risk Factors."

Pacific's Reasons for the Merger (page 57)

The Pacific board and the Pacific conflicts committee consulted with management and legal and financial advisors and considered many factors in approving and adopting the merger agreement and the merger, including the following expected benefits of the merger to Pacific and its unitholders:

that the holders of Pacific's common units (other than LB Pacific) will be entitled to receive 0.77 Plains common units for each Pacific common unit, an exchange ratio that the Pacific conflicts committee and the Pacific board viewed as attractive in light of Pacific's historic and current trading price, and which represented an implied premium of 14.3% over the average closing unit price during the 20 trading days prior to and including June 9, 2006 (the last day of trading prior to the committee's and the board's respective determinations) and 10.6% over the closing unit price on June 9, 2006;

that the merger is expected to be accretive on the basis of distributable cash flow per common unit of Pacific;

that Plains' management intends to recommend that the Plains board increase Plains' quarterly per unit distribution and that Pacific unitholders would receive such increased distribution following the merger, and that the increase in per unit distribution may ultimately result in the appreciation of Plains' unit price in the market, making the exchange ratio even more favorable to Pacific's unitholders;

that the incentive distributions that would otherwise have been payable to Plains' general partner will be reduced by \$65.0 million in the aggregate over five four-quarter periods following the merger, making additional cash available for general partnership purposes, which may include, as deemed appropriate by Plains' general partner, future distributions, capital investment or reduction of debt;

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- that the merger will result in potential operating, general and administrative and interest cost savings;
- that Pacific unitholders will benefit from the application of Plains' commercial expertise to Pacific's current assets;
- that the combined business of Plains and Pacific following the merger will have complementary growth opportunities;
- that the combined company will represent a substantially larger business than Pacific on a stand-alone basis, mitigating execution risk associated with Pacific's Pier 400 project and other projects;
- that the merger will result in significant business and geographic diversification;
- that the combined company is expected to have investment grade credit ratings; and
- that, as unitholders of Plains following the merger, Pacific unitholders will have greater liquidity for their units.

The Pacific board and the Pacific conflicts committee also considered a number of risks associated with the merger, including the following:

- that Plains is currently at the 50% incentive distribution level for its general partner, as compared to Pacific, which is at the 15% incentive distribution level for its general partner, which increases the cost of equity capital for future growth;
- that Plains' investment grade credit rating might be reduced as a result of the transaction;
- the possibility that Plains' unit price could diminish prior to closing, reducing the premium available to Pacific's common unitholders (other than LB Pacific);
- that regulatory approvals must be obtained to complete the merger; and
- that the merger might not be completed in a timely manner, or at all, which could result in significant costs and disruption to Pacific's normal business.

Plains' Reasons for the Merger (page 61)

The Plains board consulted with management and legal and financial advisors and considered many factors in approving and adopting the purchase agreement and the merger agreement and approving the issuance of Plains' common units in the merger, including the following expected benefits of the merger to Plains, its unitholders and the combined company:

- the significant potential cost savings and operating synergies derived by combining two public entities and eliminating duplicative costs;
- the complementary asset bases of Plains and Pacific in California, the Rocky Mountains and Canada, with minimal asset overlap but attractive potential vertical integration opportunities;

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the opportunity to generate incremental value by applying Plains' commercial business model to Pacific's assets and organic growth opportunities;

the combination of Plains' in-progress organic growth projects, for which substantial equity capital has been raised and/or debt capital arranged, with Pacific's longer lead-time organic growth projects, which are anticipated to extend growth visibility for several years regardless of future acquisitions;

the opportunity to augment Plains' existing organization with talent from Pacific and expand the breadth and depth of its organization;

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the expanded inventory of internal growth projects helping to mitigate the adverse impacts of potential delays associated with any one project, such as those caused by permitting, weather, availability of materials or other factors;

the positive impact that Pacific's tariff and fee-based activities should have on Plains' credit rating;

the acceleration of Plains' expansion into the refined products infrastructure business afforded by Pacific's products terminals on the West Coast and in the Northeast and its products pipeline in the Rockies;

the ability to capitalize on increasing domestic demand for refined products provided by Pacific's refined products assets; and

the combination of Plains' tariff-based pipeline business and commercial and fee-based gathering, marketing, terminalling and storage business with Pacific's predominately tariff- and fee-based pipeline and terminalling businesses, resulting in a stronger, more diversified and more resilient business profile for the combined company.

In addition to considering the foregoing, the Plains board consulted with its management and Plains' legal and financial advisors, and considered a variety of other factors, including:

information regarding the business, operations, financial condition, liabilities, earnings, prospects and potential strategic opportunities of Plains and Pacific;

near-term dilution, offset by anticipated long-term accretion, of distributable cash flow per unit;

the visibility of future distribution increases and long-term value of Plains' common units;

the abilities of the parties to complete the merger and other transactions contemplated by the purchase agreement and the merger agreement;

the risks associated with integrating Pacific's assets, operations and business activities into Plains' assets, operations and business activities;

the risks associated with financing certain components of the purchase price as well as the ongoing capital requirements of the combined company;

the risks associated with delay in development, or non-development, of key internal growth projects; and

the risks associated with the merger, including those described under "Risk Factors Risks Related to the Merger and the Related Transactions."

Opinions of Financial Advisors (page 70)

The opinions of the Pacific board's financial advisor, the Pacific conflicts committee's financial advisor and the Plains board's financial advisor are attached to this joint proxy statement/prospectus as Annexes B, C and D, respectively. You are encouraged to read those opinions carefully, as well as the descriptions of the analyses and assumptions on which the opinions were based set forth under "The Merger Opinions of Financial Advisors." *Each opinion is directed to the board of directors or conflicts committee of the applicable general partner, and does not constitute a recommendation to any unitholder as to any matter relating to the merger.*

Opinion of Financial Advisor to Pacific

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Lehman Brothers Inc., financial advisor to Pacific, delivered its opinion to the Pacific board on June 11, 2006 to the effect that, as of the date of its opinion and based on and subject to various

assumptions made, matters considered and limitations described in the opinion, from a financial point of view, the aggregate consideration to be offered to all of the holders of the partnership interests in Pacific in the proposed transaction is fair to such holders. Pacific's general partner is deemed to be an affiliate of Lehman Brothers Inc. through a 59% ownership interest in Pacific's general partner held by certain entities controlled by Lehman Brothers Holdings Inc., the parent entity of Lehman Brothers Inc.

Opinion of Financial Advisor to the Conflicts Committee of Pacific

Petrie Parkman & Co., financial advisor to the Pacific conflicts committee, delivered its opinion to the Pacific conflicts committee on June 11, 2006 to the effect that, as of the date of its opinion and based on and subject to various assumptions made, matters considered and limitations described in the opinion, the exchange ratio of 0.77 Plains common units for each Pacific common unit in the merger is fair, from a financial point of view, to Pacific's common unitholders, other than LB Pacific and its affiliates.

Opinion of Financial Advisor to Plains

Simmons & Company International, financial advisor to Plains, delivered its opinion to the Plains board on June 11, 2006 to the effect that, as of the date of its opinion and based on and subject to various assumptions made, matters considered and limitations described in the opinion, the aggregate consideration to be paid by Plains as set forth in the merger agreement and in the purchase agreement with LB Pacific is fair, from a financial point of view, to Plains and Plains' common unitholders (other than those unitholders holding a direct or indirect interest in Plains' general partner).

Interests of Certain Persons in the Merger; Conflicts of Interest (page 93)

In considering the recommendations of the Pacific board, the Pacific conflicts committee and the Plains board with respect to the merger, unitholders of both partnerships should be aware that some of the executive officers and directors of the general partners have interests in the transaction that may differ from, or may be in addition to, the interests of unitholders generally. For example, the owners of Pacific's general partner will receive cash in the transaction, a portion of which will be distributed to certain members of the Pacific board.

In addition, owners of Plains' general partner have interests that differ materially from owners of Plains' limited partner interests. Even giving effect to the reduction in incentive distribution payments otherwise payable to Plains' general partner, the merger is expected to be accretive to Plains' general partner on a distributable cash flow basis beginning in 2007. Based on Plains' projected results, the effect of the merger is not expected to be accretive on a distributable cash flow per unit basis to Plains' existing limited partners until 2008.

The Merger Agreement (page 100)

The merger agreement is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference into this document. You are encouraged to read the merger agreement because it is the legal document that governs the merger.

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What Needs to be Done to Complete the Merger

Plains and Pacific will complete the merger only if the conditions set forth in the merger agreement and the purchase agreement are satisfied or, in some cases, waived. The obligations of Plains and Pacific to complete the merger are subject to the following conditions:

the adoption and approval of the merger agreement and the merger by the requisite vote of the Pacific common unitholders (not including LB Pacific) and the Pacific subordinated unitholder (which is LB Pacific);

the adoption and approval of the merger agreement and the merger by the requisite vote of the Plains common unitholders, and the approval of the issuance of Plains common units pursuant to the merger agreement by the requisite vote of the Plains common unitholders;

the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976;

the approval of the Public Utilities Commission of the State of California and the Public Service Commission of the State of Wyoming (and in the case of Wyoming, any protest period subsequent to such approval having lapsed without a protest or, if a protest has been filed, such protest having been resolved to the reasonable satisfaction of the parties);

the consent of the Federal Communications Commission, or FCC, to effect transfers of certain licenses;

satisfaction of requirements under the *Competition Act*, R.S.C. 1985, c. C-34 of Canada, or Competition Act;

approval of the merger and sale transactions under the *Investment Canada Act*, R.S.C. 1985, c 28 (1st Suppl.), or Investment Canada Act, or notice that approval of the merger and sale transactions is not required under the Investment Canada Act;

receipt of all other governmental consents and approvals, the absence of which would, individually or in the aggregate, have a material adverse effect on Pacific or Plains;

the continued effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;

the approval for listing on the NYSE of the Plains common units to be issued in the merger, subject to official notice of issuance; and

the absence of any decree, order, injunction or law that prohibits the merger or makes the merger unlawful.

Plains' obligation to complete the merger is further subject to the following conditions:

the representations and warranties of Pacific set forth in the merger agreement being true and correct (without regard to materiality requirements in the merger agreement) as of the closing, other than such failures to be true and correct that would not in the aggregate result in a material adverse effect, and Pacific having performed all of its obligations under the merger agreement in all material respects;

each of the directors of Pacific Energy Management LLC having tendered his resignation effective as of the effective time of the merger; and

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Plains having received an opinion of Vinson & Elkins L.L.P. as to the treatment of the merger for U.S. federal income tax purposes and as to certain other tax matters.

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Pacific's obligation to complete the merger is further subject to the following conditions:

the representations and warranties of Plains set forth in the merger agreement being true and correct (without regard to materiality requirements in the merger agreement) as of the closing, other than such failures to be true and correct that would not in the aggregate result in a material adverse effect, and Plains having performed all of its obligations under the merger agreement in all material respects; and

Pacific having received an opinion of Baker Botts L.L.P. as to the treatment of the merger for U.S. federal income tax purposes and as to certain other tax matters.

Either Plains or Pacific may choose to complete the merger even though any condition to its obligation has not been satisfied if the necessary unitholder approvals have been obtained and the law allows it to do so.

No Solicitation

Pacific and Pacific's general partner have agreed that they and Pacific's subsidiaries will not, directly or indirectly, and will direct and use their reasonable best efforts to cause such parties' representatives not to, initiate or continue any discussions with any other person with respect to a business combination while the merger is pending or to engage in any of those discussions unless the failure to do so would be reasonably likely to constitute a violation of their fiduciary obligations under applicable law.

Termination of the Merger Agreement

Plains and Pacific can agree to terminate the merger agreement at any time without completing the merger, even after unitholder approvals have been obtained. In addition, either party may terminate the merger agreement on its own without completing the merger if:

the merger is not completed by November 30, 2006 (which is referred to as the outside date), other than due to a breach of the merger agreement by the terminating party; but, if the merger is not completed by the outside date solely because regulatory approvals have not been obtained, then the outside date will automatically be extended to February 28, 2007;

any legal prohibition to completing the merger has become final and non-appealable;

the necessary unitholder approvals are not obtained at the respective unitholder meetings; or

any condition to the closing of the merger cannot be satisfied.

Termination Fees

Pacific will pay Plains a fee of \$40 million if:

the merger agreement is terminated because the Pacific board or Pacific conflicts committee changes its recommendation regarding the transaction or fails to reaffirm its recommendation of the transaction, or recommends, adopts or approves (or proposes publicly to do so) any other takeover proposal;

the Pacific conflicts committee terminates the merger agreement to accept a superior transaction; or

a termination occurs pursuant to the outside date provision after a competing proposal to acquire Pacific has been made, and Pacific consummates another acquisition transaction pursuant to which Pacific is acquired within twelve months of such termination.

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Additionally, if Pacific's unitholders vote not to approve and adopt the merger agreement and the merger, Pacific will pay Plains a fee of \$10 million. If the negative vote occurs after a competing proposal to acquire Pacific has been made, Pacific will pay Plains an additional fee of \$30 million if Pacific consummates another acquisition transaction pursuant to which Pacific is acquired within twelve months of the negative vote.

Plains will pay Pacific a fee of \$40 million if:

the merger agreement is terminated because the Plains board changes its recommendation regarding the transaction; or

a termination occurs pursuant to the outside date provision after a competing proposal to acquire Plains has been made, and Plains consummates another acquisition transaction pursuant to which Plains is acquired within twelve months of such termination.

Additionally, if Plains' unitholders vote not to approve and adopt the merger agreement and the merger, Plains will pay Pacific a fee of \$10 million. If the negative vote occurs after a competing proposal to acquire Plains has been made, Plains will pay Pacific an additional fee of \$30 million if Plains consummates another acquisition transaction pursuant to which Plains is acquired within twelve months of the negative vote.

U.S. Federal Income Tax Consequences (page 156)

Tax matters are very complicated. The tax consequences of the merger to you will depend on your own situation. You are urged to consult your tax advisor for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger to you.

For U.S. federal income tax purposes, except with respect to cash received in lieu of fractional Plains common units and as described below with respect to a net decrease in a unitholder's share of nonrecourse liabilities, no gain or loss will be recognized by a Pacific unitholder or a Plains unitholder as a result of the merger. The merger will, however, result in the recalculation of each Plains and Pacific unitholder's share of nonrecourse liabilities. Each Plains unitholder and Pacific unitholder will be treated as receiving a deemed cash distribution equal to the excess, if any, of the unitholder's share of the nonrecourse liabilities immediately before the merger over the unitholder's share of the nonrecourse liabilities immediately following the merger. If the amount of the deemed cash distribution received by a Pacific unitholder or Plains unitholder exceeds such unitholder's basis in its partnership interest, such unitholder will recognize gain in an amount equal to such excess.

The application of the rules governing the allocation of nonrecourse liabilities in the context of the merger is complex and subject to uncertainty. While there can be no assurance, Plains and Pacific do not anticipate that there will be a material decrease in the amount of nonrecourse liabilities allocable to a Pacific unitholder or a Plains unitholder as a result of the merger.

Other Information Related to the Merger

No Appraisal Rights (page 98)

Neither Plains unitholders nor Pacific unitholders have appraisal rights under applicable law or contractual appraisal rights under their respective partnership agreements or the merger agreement.

Antitrust and Regulatory Clearance (page 98)

The merger is subject to both state and federal antitrust laws. Plains and Pacific made the required filings with the Federal Trade Commission, or FTC, and the Antitrust Division of the Department of Justice, or DOJ, relating to the merger on June 30, 2006, but they are not permitted to complete the merger until the applicable waiting periods have expired or are otherwise terminated. Plains and Pacific

have made or are in the process of completing required filings with Canadian regulatory authorities, and with the Public Utilities Commission of the State of California and the Public Service Commission of the State of Wyoming, the approval of which are conditions to the merger (and in the case of Wyoming, any protest period subsequent to such approval shall have lapsed without a protest or, if a protest has been filed, such protest shall have been resolved to the reasonable satisfaction of the parties). Plains or Pacific may receive requests for information concerning the proposed merger and related transactions from the FTC or individual states.

Listing of Common Units to be Issued in the Merger (page 99)

Plains expects to obtain approval to list on the NYSE the common units to be issued pursuant to the merger agreement, which approval is a condition to the merger.

Accounting Treatment (page 99)

Plains will account for the merger using the purchase method of accounting. Under that method of accounting, the aggregate consideration that Plains pays for Pacific will be allocated to Pacific's assets and liabilities based on their fair values, with any excess being treated as goodwill. Plains currently expects to record approximately \$800 million of goodwill upon completion of the merger, but that estimate is subject to change.

Comparison of the Rights of Pacific and Plains Common Unitholders (page 129)

Pacific common unitholders (other than LB Pacific) will own Plains common units following the completion of the merger, and their rights associated with the Plains common units will be governed by, in addition to Delaware law, Plains' partnership agreement, which differs in a number of respects from Pacific's partnership agreement.

Pending Litigation (page 99)

On June 15, 2006, a lawsuit was filed against Pacific and certain of the officers and directors of Pacific's general partner. The claim seeks class action status, and asserts claims of self-dealing and breach of fiduciary duty in connection with the merger and related transactions. Pacific believes that the lawsuit is without merit and intends to defend against it vigorously. There can be no assurance that additional claims may not be made or filed, the substance of which may be similar to the allegations described above or that otherwise might arise from, or in connection with, the merger agreement and the transactions it contemplates.

Summary of Risk Factors

You should consider carefully all the risk factors together with all of the other information included in this joint proxy statement/prospectus before deciding how to vote. The risks related to the merger and the related transactions, the combined company's business, Plains' common units and risks resulting from its partnership structure are described under the caption "Risk Factors" beginning on page 24 of this joint proxy statement/prospectus. Some of these risks include, but are not limited to, those described below:

Plains may not be able to successfully integrate Pacific's operations with its operations;

Pacific unitholders cannot be sure of the market value of the Plains common units that they will receive;

The transactions contemplated by the merger agreement may not be consummated even if unitholder approvals for the merger are obtained;

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While the merger agreement is in effect, Plains and Pacific may be limited in their ability to pursue other attractive business opportunities;

Regulatory agencies may delay approval of the merger;

Regulatory agencies may require that Plains or Pacific divest significant assets as a condition to their approval of the merger;

The closing of the merger may trigger a repurchase obligation with respect to Pacific's outstanding senior notes and will effectively require the amendment or refinancing of Pacific's credit facility;

Some of the directors and executive officers of Plains' and Pacific's general partner have interests that differ from those of Plains' and Pacific's unitholders;

No ruling has been requested or obtained with respect to the tax consequences of the merger;

The merger may result in income recognition by Pacific and Plains unitholders;

The intended tax consequences of the merger are dependent upon each of Plains and Pacific being treated as a partnership for tax purposes; and

Unitholders of the combined company will be subject to foreign, state and local taxes and return filing requirements in jurisdictions where they do not live.

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL AND OPERATING INFORMATION

The following tables set forth, for the periods and at the dates indicated, summary historical financial and operating information for Plains and Pacific and summary pro forma financial information for Plains after giving effect to the proposed merger with Pacific. The summary historical income statement and balance sheet data for each of the three years in the period ended December 31, 2005 are derived from and should be read in conjunction with the audited financial statements and accompanying footnotes for such periods incorporated by reference into this joint proxy statement/prospectus. The summary historical income statement data for the three-month periods ended March 31, 2005 and 2006 and balance sheet data at March 31, 2006 are derived from and should be read in conjunction with the unaudited financial statements and accompanying footnotes for such periods incorporated by reference into this joint proxy statement/prospectus.

The summary pro forma financial statements of Plains show the pro forma effect of Plains' proposed merger with Pacific. For a complete discussion of the pro forma adjustments underlying the amounts in the table below, please read the section titled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page F-1 of this document.

Plains' unaudited pro forma condensed statements of combined operations for the year ended December 31, 2005 and for the three months ended March 31, 2006 assume the transactions occurred on January 1, 2005. Plains' unaudited pro forma condensed combined balance sheet shows the financial effects of the transactions as if they had occurred on March 31, 2006.

**SUMMARY HISTORICAL AND PRO FORMA FINANCIAL
AND OPERATING INFORMATION OF PLAINS**

	Plains Consolidated Historical					Plains Pro Forma	
	For the Year Ended December 31,			For the Three Months Ended March 31,		For the Year Ended December 31,	For the Three Months Ended March 31,
	2003	2004	2005	2005	2006	2005	2006
(In millions, except per unit amounts)							
Statement of operations data:							
Total revenues(1)	\$ 12,589.9	\$ 20,975.5	\$ 31,177.3	\$ 6,638.5	\$ 8,635.4	\$ 31,389.0	\$ 8,697.4
Purchases and related costs(1)	(12,232.5)	(20,424.6)	(30,442.5)	(6,486.2)	(8,427.4)	(30,431.3)	(8,419.4)
Field operating costs(2)	(139.9)	(219.5)	(272.5)	(63.8)	(82.3)	(375.5)	(115.2)
General and administrative expenses(2)	(73.1)	(82.7)	(103.2)	(22.1)	(31.8)	(128.6)	(38.7)
Depreciation and amortization	(46.2)	(68.7)	(83.5)	(19.1)	(21.6)	(129.4)	(33.2)
Total costs and expenses	(12,491.7)	(20,795.5)	(30,901.7)	(6,591.2)	(8,563.1)	(31,064.8)	(8,606.5)
Other, net						(0.5)	
Operating income	98.2	180.0	275.6	47.3	72.3	323.7	90.9
Equity earnings (loss) in unconsolidated affiliates			1.0		(0.2)	2.8	0.2
Interest expense	(35.2)	(46.7)	(59.4)	(14.6)	(15.3)	(124.7)	(33.8)
Interest income and other, net	(3.6)	(0.2)	0.6	0.1	0.3	1.7	0.7
Income tax expense						(1.2)	(0.3)
Income before cumulative effect of change in accounting principle(7)	\$ 59.4	\$ 133.1	\$ 217.8	\$ 32.8	\$ 57.1	\$ 202.3	\$ 57.7
Basic net income per limited partner unit before cumulative effect of change in accounting principle	\$ 1.01	\$ 1.94	\$ 2.77	\$ 0.43	\$ 0.65	\$ 2.10	\$ 0.55
Diluted net income per limited partner unit before cumulative effect of change in accounting principle	\$ 1.00	\$ 1.94	\$ 2.72	\$ 0.43	\$ 0.63	\$ 2.07	\$ 0.54
Basic weighted average number of limited partner units outstanding	52.7	63.3	69.3	67.5	74.0	91.6	96.3
Diluted weighted average number of limited partner units outstanding	53.4	63.3	70.5	68.2	75.7	92.8	98.0
Balance sheet data (at end of period):							
Total assets	\$ 2,095.6	\$ 3,160.4	\$ 4,120.3	\$ 3,943.2	\$ 4,733.7	\$ 7,316.2	\$ 7,316.2
Total long-term debt	\$ 519.0	\$ 949.0	\$ 951.7	\$ 930.2	\$ 951.5	\$ 2,294.5	\$ 2,294.5
Total debt	\$ 646.3	\$ 1,124.5	\$ 1,330.1	\$ 1,491.2	\$ 1,827.3	\$ 3,170.3	\$ 3,170.3
Partners' capital	\$ 746.7	\$ 1,070.2	\$ 1,330.7	\$ 1,010.6	\$ 1,438.7	\$ 2,461.3	\$ 2,461.3
Other Data:							
Maintenance capital expenditures	\$ 7.6	\$ 11.3	\$ 14.0	\$ 4.0	\$ 4.7		
Net cash provided by (used in) operating activities(3)	\$ 115.3	\$ 104.0	\$ 24.1	\$ (271.9)	\$ (457.6)		
Net cash provided by (used in) investing activities(3)	\$ (272.1)	\$ (651.2)	\$ (297.2)	\$ (61.7)	\$ (84.3)		
Net cash provided by (used in) financing activities	\$ 157.2	\$ 554.5	\$ 270.6	\$ 342.6	\$ 541.5		
Distributions per limited partner unit(4)	\$ 2.2125	\$ 2.3525	\$ 2.6500	\$ 0.6375	\$ 0.7075		

**SUMMARY HISTORICAL AND PRO FORMA FINANCIAL
AND OPERATING INFORMATION OF PLAINS (Continued)**

Plains Consolidated Historical

		For the Year Ended December 31,			For the Three Months Ended March 31,	
		2003	2004	2005	2005	2006

(Volumes in thousands of barrels per day)

Operating Data(5):

Pipeline segment:

Tariff activities						
All American		59	54	51	54	44
Basin		263	265	290	277	314
Capline		N/A	123	132	160	86
Cushing to Broome		N/A	N/A	66	23	70
North Dakota/Trenton		N/A	39	77	61	82
West Texas/New Mexico Area Systems(6)		189	338	428	401	399
Canada		203	263	255	268	239
Other		110	330	426	410	489
Pipeline margin activities		78	74	74	75	91
Total		902	1,486	1,799	1,729	1,814

Gathering, marketing, terminalling and storage segment:

Crude oil lease gathering		437	589	610	622	615
LPG sales		38	48	56	84	84

- (1) Includes buy/sell transactions. See Note 2 to Plains' Consolidated Financial Statements in Plains' Annual Report on Form 10-K for the year ended December 31, 2005 incorporated by reference herein. Also, see footnote 7 below.
- (2) Includes compensation expense related to Plains' 1998 Long-Term Incentive Plan and Plains' 2005 Long-Term Incentive Plan. See Item 11, "Executive Compensation Long-Term Incentive Plans" in Plains' Annual Report on Form 10-K for the year ended December 31, 2005 incorporated by reference herein.
- (3) In conjunction with the change in accounting principle Plains adopted as of January 1, 2004, Plains has reclassified cash flows for 2003 and prior years associated with purchases and sales of linefill on assets that Plains owns as cash flows from investing activities instead of the historical classification as cash flows from operating activities.
- (4) Distributions represent those declared with respect to the period and paid in the following period. Plains' general partner is entitled to receive 2% proportional distributions and also incentive distributions if the amount Plains distributes with respect to any quarter exceeds levels specified in Plains' partnership agreement. See Note 5 to Plains' Consolidated Financial Statements in Plains' Annual Report on Form 10-K for the year ended December 31, 2005 incorporated by reference herein.
- (5) Volumes associated with acquisitions represent total volumes transported for the number of days Plains actually owned the assets divided by the number of days in the period.
- (6) The aggregate of multiple systems in the West Texas/New Mexico area.
- (7) The Plains pro forma income before cumulative effect of change in accounting principle for the year ended December 31, 2005 includes, as required, the following pro forma adjustments related to the acquisition of the Valero assets that Pacific acquired effective September 30, 2005: (i) depreciation expense for the entire year of approximately \$11 million associated with Plains' estimated purchase price allocated to the Valero assets; and (ii) interest expense of approximately \$11 million for the entire year on the \$175 million of 6 1/4% senior notes issued to fund the asset acquisition. However, since

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the Valero transaction was an asset acquisition, the Plains pro forma income before cumulative effect of change in accounting principle for the year ended December 31, 2005 does not include revenues and related operating expenses for the period prior to the asset acquisition by Pacific. In addition, the Plains pro forma income before cumulative effect of change in accounting principle for the year ended December 31, 2005 and the three months ended March 31, 2006 does not include any synergies that Plains expects to achieve as a result of the merger with Pacific. For further discussion of potential business combination synergies, see the section captioned "The Merger - Additional Financial Considerations of the Parties."

SUMMARY HISTORICAL FINANCIAL AND OPERATING INFORMATION OF PACIFIC

Certain prior year balances in the accompanying condensed consolidated financial statements have been reclassified to conform to current year presentation.

	Pacific Consolidated Historical				
	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005	2005	2006
	(In millions, except per unit amounts)				
Consolidated Statements of Income:					
Revenue:					
Pipeline transportation(1)	\$ 101.8	\$ 108.4	\$ 116.6	\$ 28.0	\$ 33.9
Storage and terminalling(2)	12.7	37.6	52.0	10.3	20.1
Pipeline buy/sell transportation(3)		18.6	35.7	9.1	9.7
Crude oil sales, net of purchases(4)	21.3	16.8	20.0	1.8	6.8
Total revenue before expenses	135.8	181.4	224.3	49.2	70.5
Expenses:					
Operating	61.0	85.3	104.4	21.8	33.4
General and administrative	13.7	15.4	18.5	5.2	6.9
Accelerated long-term incentive plan compensation expense(5)			3.1	3.1	
Line 63 oil release costs(6)			2.0	2.0	
Transaction costs(7)			1.8	1.8	
Depreciation and amortization	18.9	24.2	29.4	6.5	10.0
Total expenses	93.6	124.9	159.2	40.4	50.3
Share of net income (loss) of Frontier	(0.2)	1.3	1.8	0.4	0.4
Write-down of idle property(8)		(0.8)	(0.5)		
Operating income	42.0	57.0	66.4	9.2	20.6
Interest and other income	0.5	1.0	1.1	0.4	0.4
Write-off of deferred financing cost and interest rate swap termination expense		(2.9)			
Interest expense	(17.5)	(19.2)	(26.7)	(5.6)	(9.1)
Income before income taxes	25.0	35.9	40.8	4.0	11.9
Income tax (expense) benefit:					
Current		(0.2)	(1.3)	(0.7)	(0.4)
Deferred			0.1	0.1	0.1
		(0.2)	(1.2)	(0.6)	(0.3)
Net income	\$ 25.0	\$ 35.7	\$ 39.6	\$ 3.4	\$ 11.6
Basic net income per limited partner unit	\$ 1.10	\$ 1.23	\$ 1.25	\$ 0.17	\$ 0.30
Diluted net income per limited partner unit	\$ 1.09	\$ 1.23	\$ 1.25	\$ 0.17	\$ 0.30
Weighted average limited partner units outstanding:					
Basic	22.3	28.4	32.4	29.7	39.3

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Pacific Consolidated Historical

Diluted	22.5	28.5	32.4	29.7	39.3
Other Financial Data:					
Net cash provided by operating activities	\$ 42.7	\$ 57.2	\$ 76.1	\$ 15.9	\$ 6.0
Net cash used in investing activities	\$ (180.3)	\$ (156.0)	\$ (512.8)	\$ (4.3)	\$ (26.4)
Net cash provided by (used in) financing activities	\$ 123.4	\$ 112.4	\$ 431.3	\$ (13.0)	\$ 14.3
Capital expenditures:					
Sustaining	\$ 2.1	\$ 1.9	\$ 6.1	\$ 0.2	\$ 0.8
Transition	0.4	1.9	11.4	2.3	3.2
Expansion	8.4	12.7	34.2	1.9	20.2
Total capital expenditures	\$ 10.9	\$ 16.5	\$ 51.7	\$ 4.4	\$ 24.2

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Balance Sheet Data (at period end):

Property and equipment, net	\$ 568.0	\$ 718.6	\$ 1,185.5	\$ 715.6	\$ 1,205.6
Total assets	\$ 650.2	\$ 869.9	\$ 1,476.5	\$ 920.1	\$ 1,506.3
Total debt, including current portion	\$ 298.0	\$ 357.2	\$ 565.6	\$ 356.4	\$ 601.0
Net partners' capital	\$ 295.1	\$ 422.5	\$ 698.2	\$ 413.0	\$ 688.2
Limited partner units outstanding	\$ 24.9	\$ 29.6	\$ 39.3	\$ 29.7	\$ 39.3

Operating Data (volumes in thousands of barrels per day):

West Coast Business Unit:

Pipeline throughput(9)	151.0	141.2	119.6	138.5
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