

PLAINS ALL AMERICAN PIPELINE LP
Form 8-K
August 06, 2014

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **August 6, 2014**

Plains All American Pipeline, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation)

1-14569
(Commission File Number)

76-0582150
(IRS Employer Identification No.)

333 Clay Street, Suite 1600, Houston, Texas 77002

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **713-646-4100**

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

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

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 9.01. Financial Statements and Exhibits

(d) Exhibit 99.1 Press Release dated August 6, 2014

Item 2.02 and Item 7.01. Results of Operations and Financial Condition; Regulation FD Disclosure

Plains All American Pipeline, L.P. (the Partnership) today issued a press release reporting its second-quarter 2014 results. We are furnishing the press release, attached as Exhibit 99.1, pursuant to Item 2.02 and Item 7.01 of Form 8-K. Pursuant to Item 7.01, we are also providing detailed guidance for financial performance for the third and fourth quarters and full year 2014. In accordance with General Instruction B.2. of Form 8-K, the information presented herein under Item 2.02 and Item 7.01 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), nor shall it be deemed incorporated by reference in any filing under the Exchange Act or Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

Disclosure of Third and Fourth Quarter 2014 Guidance; Update of Full Year 2014 Guidance

We based our guidance for the three-month period ending September 30, 2014 and three-month and twelve-month periods ending December 31, 2014 on assumptions and estimates that we believe are reasonable, given our assessment of historical trends (modified for changes in market conditions), business cycles and other reasonably available information. Projections covering multi-quarter periods contemplate inter-period changes in future performance resulting from new expansion projects, seasonal operational changes (such as NGL sales) and acquisition synergies. Our assumptions and future performance, however, are both subject to a wide range of business risks and uncertainties, so we can provide no assurance that actual performance will fall within the guidance ranges. Please refer to information under the caption

Forward-Looking Statements and Associated Risks below. These risks and uncertainties, as well as other unforeseeable risks and uncertainties, could cause our actual results to differ materially from those in the following table. The operating and financial guidance provided below is given as of the date hereof, based on information known to us as of August 5, 2014. We undertake no obligation to publicly update or revise any forward-looking statements.

To supplement our financial information presented in accordance with GAAP, management uses additional measures known as non-GAAP financial measures in its evaluation of past performance and prospects for the future. Management believes that the presentation of such additional financial measures provides useful information to investors regarding our financial condition and results of operations because these measures, when used in conjunction with related GAAP financial measures, (i) provide additional information about our core operations and ability to generate and distribute cash flow, (ii) provide investors with the financial analytical framework upon which management bases financial, operational, compensation and planning decisions and (iii) present measurements that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. EBIT and EBITDA (each as defined below in Note 1 to the Operating and Financial Guidance table) are non-GAAP financial measures. Net income represents one of the two most directly comparable GAAP measures to EBIT and EBITDA. In Note 9 below, we reconcile net income to EBIT and EBITDA for the 2014 guidance periods presented. Cash flows from operating activities is the other most comparable GAAP measure. We do not, however, reconcile cash flows from operating activities to EBIT and EBITDA, because such reconciliations are impractical for forecasted periods. We encourage you to visit our website at www.plainsallamerican.com (in particular the section under Investor Relations entitled Guidance and Non-GAAP Reconciliations), which presents a historical reconciliation of EBIT and EBITDA as well as certain other commonly used non-GAAP financial measures. These measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) the mark-to-market of derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), (iii) items that are not indicative of our core operating results and business outlook and/or (iv) other items that we believe should be excluded in understanding our core operating performance. We have defined all such items as Selected Items Impacting Comparability. Due to the nature of the selected items, certain selected items impacting comparability may impact certain non-GAAP financial measures but not

impact other non-GAAP financial measures.

Plains All American Pipeline, L.P.

Operating and Financial Guidance

(in millions, except per unit data)

	Actual		3 Months Ending		Guidance (a)		12 Months Ending	
	6 Months		3 Months Ending		3 Months Ending		12 Months Ending	
	Ended		Sep 30, 2014		Dec 31, 2014		Dec 31, 2014	
	Jun 30, 2014	Low	High	Low	High	Low	High	
Segment Profit								
Net revenues (including equity earnings from unconsolidated entities)	\$ 1,972	\$ 903	\$ 938	\$ 1,013	\$ 1,048	\$ 3,888	\$ 3,958	
Field operating costs	(696)	(377)	(367)	(352)	(342)	(1,425)	(1,405)	
General and administrative expenses	(179)	(85)	(80)	(83)	(78)	(347)	(337)	
	1,097	441	491	578	628	2,116	2,216	
Depreciation and amortization expense	(196)	(94)	(90)	(95)	(91)	(385)	(377)	
Interest expense, net	(161)	(88)	(84)	(90)	(86)	(339)	(331)	
Income tax expense	(70)	(8)	(4)	(38)	(34)	(116)	(108)	
Other income / (expense), net	2					2	2	
Net Income	672	251	313	355	417	1,278	1,402	
Net income attributable to noncontrolling interests	(1)	(1)	(1)	(1)	(1)	(3)	(3)	
Net Income Attributable to PAA	\$ 671	\$ 250	\$ 312	\$ 354	\$ 416	\$ 1,275	\$ 1,399	
Net Income to Limited Partners (b)	\$ 435	\$ 123	\$ 184	\$ 216	\$ 279	\$ 777	\$ 898	
Basic Net Income Per Limited Partner Unit (b)								
Weighted Average Units Outstanding	363	369	369	372	372	367	367	
Net Income Per Unit	\$ 1.19	\$ 0.33	\$ 0.49	\$ 0.58	\$ 0.75	\$ 2.10	\$ 2.43	
Diluted Net Income Per Limited Partner Unit (b)								
Weighted Average Units Outstanding	365	372	372	374	374	369	369	
Net Income Per Unit	\$ 1.18	\$ 0.33	\$ 0.49	\$ 0.58	\$ 0.74	\$ 2.09	\$ 2.42	
EBIT	\$ 903	\$ 347	\$					