

PLAINS ALL AMERICAN PIPELINE LP  
Form 8-K  
February 08, 2016

**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) **February 8, 2016**

**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:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 9.01. Financial Statements and Exhibits**

(d) Exhibit 99.1 Press Release dated February 8, 2016

**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 fourth-quarter and full-year 2015 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 of financial performance for the first quarter and full year of 2016. 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 First-Quarter and Full-Year 2016 Guidance**

We based our guidance for the three-month period ending March 31, 2016 and twelve-month period ending December 31, 2016 on assumptions and estimates that we believe are reasonable, given our assessment of historical trends (modified for changes in market conditions, including an assumption that U.S. onshore oil production continues to decline in 2016 as well as a continuation of a competitive crude oil market), 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. In particular, in response to recent price fluctuations, many producers are still developing their 2016 capital plans and production forecasts and others are modifying previously disclosed plans, which adds a fairly significant element of uncertainty to our 2016 quarterly and annual guidance given the impact that producer capital activity and production levels can have on our performance. Please refer to information under the caption Forward-Looking Statements and Associated Risks on page 10. 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 in the following pages is given as of the date hereof, based on information known to us as of February 7, 2016. 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 performance and results of operations because these measures, when used in conjunction with related GAAP financial measures, (i) provide additional information about our core operating performance 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. EBITDA (as defined in Note 1 to the Operating and Financial Guidance table) is a non-GAAP financial measure. Net income represents one of the two most directly comparable GAAP measures to EBITDA. In Note 10, we reconcile net income to EBITDA and adjusted EBITDA for the 2016 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 EBITDA, because such reconciliations are impractical for forecasted periods. We encourage you to visit our website at

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*www.plainsallamerican.com* (in particular the section under and Financial Information entitled Non-GAAP Reconciliations within the Investor Relations tab), which presents a historical reconciliation of EBITDA as well as certain other commonly used non-GAAP and supplemental 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), gains and losses on derivatives that are related to investing activities (such as the purchase of linefill) and inventory valuation adjustments, as applicable, (iii) long term inventory costing adjustments, (iv) items that are not indicative of our core operating results and business outlook and/or (v) 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, referred to as adjusted results, but not impact other non-GAAP financial measures. We consider an understanding of these selected items impacting comparability to be material to the evaluation of our operating results and prospects.

## Plains All American Pipeline, L.P.

## Operating and Financial Guidance

(in millions, except per unit data)

	3 Months Ending Mar 31, 2016		Guidance (a)		12 Months Ending Dec 31, 2016			
	Low	High	Low	High	Low	High		
<b>Segment Profit</b>								
Net revenues (including equity earnings in unconsolidated entities)	\$	934	\$	982	\$	3,717	\$	3,877
Field operating costs		(329)		(320)		(1,289)		(1,259)
General and administrative expenses		(74)		(71)		(283)		(273)
		531		591		2,145		2,345
Depreciation and amortization expense		(114)		(110)		(446)		(430)
Interest expense, net		(112)		(108)		(448)		(432)
Income tax expense		(33)		(29)		(114)		(98)
Other income / (expense), net								
<b>Net Income</b>		<b>272</b>		<b>344</b>		<b>1,137</b>		<b>1,385</b>
Net income attributable to noncontrolling interests		(1)		(1)		(5)		(5)
<b>Net Income Attributable to PAA</b>	<b>\$</b>	<b>271</b>	<b>\$</b>	<b>343</b>	<b>\$</b>	<b>1,132</b>	<b>\$</b>	<b>1,380</b>
Net income attributable to common unitholders								
(b)	\$	96	\$	167	\$	401	\$	644
Basic net income per common unit (b)								
Weighted average common units outstanding		398		398		398		398
Net income per common unit	\$	0.24	\$	0.42	\$	1.01	\$	1.62
Diluted net income per common unit(b)(c)								
Weighted average common units outstanding								
(c)		400		400		400		400
Net income per common unit	\$	0.24	\$	0.42	\$	1.00	\$	1.61
<b>EBITDA</b>	<b>\$</b>	<b>531</b>	<b>\$</b>	<b>591</b>	<b>\$</b>	<b>2,145</b>	<b>\$</b>	<b>2,345</b>
<b>Selected items impacting comparability-income / (loss)</b>								
Equity-indexed compensation expense	\$	(9)	\$	(9)	\$	(30)	\$	(30)
Selected items impacting comparability of net income attributable to PAA								
	\$	(9)	\$	(9)	\$	(30)	\$	(30)
<b>Excluding selected items impacting comparability</b>								
Adjusted segment profit								
Transportation	\$	242	\$	260	\$	1,140	\$	1,200
Facilities		139		151		595		635
Supply and Logistics		159		189		440		540
Other income / (expense), net								
Adjusted EBITDA	\$	540	\$	600	\$	2,175	\$	2,375
Adjusted net income attributable to PAA	\$	280	\$	352	\$	1,162	\$	1,410