

PLAINS ALL AMERICAN PIPELINE LP

Form 10-Q

May 08, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-14569

PLAINS ALL AMERICAN PIPELINE, L.P.

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(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

76-0582150
(I.R.S. Employer
Identification No.)

333 Clay Street, Suite 1600, Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(713) 646-4100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 1, 2015, there were 397,241,697 Common Units outstanding.

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PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES

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(in millions, except unit data)

	March 31, 2015	December 31, 2014
	(unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 458	\$ 403
Trade accounts receivable and other receivables, net	1,817	2,615
Inventory	929	891
Other current assets	249	270
Total current assets	3,453	4,179
PROPERTY AND EQUIPMENT	14,436	14,178
Accumulated depreciation	(1,952)	(1,906)
Property and equipment, net	12,484	12,272
OTHER ASSETS		
Goodwill	2,435	2,465
Investments in unconsolidated entities	1,784	1,735
Linefill and base gas	960	930
Long-term inventory	149	186
Other long-term assets, net	459	489
Total assets	\$ 21,724	\$ 22,256
LIABILITIES AND PARTNERS CAPITAL		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,491	\$ 2,986
Short-term debt	553	1,287
Other current liabilities	487	482
Total current liabilities	3,531	4,755
LONG-TERM LIABILITIES		
Senior notes, net of unamortized discount of \$17 and \$18, respectively	8,758	8,757
Other long-term debt	5	5
Other long-term liabilities and deferred credits	594	548
Total long-term liabilities	9,357	9,310
COMMITMENTS AND CONTINGENCIES (NOTE 10)		

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PARTNERS CAPITAL

Common unitholders (397,241,697 and 375,107,793 units outstanding, respectively)	8,413	7,793
General partner	365	340
Total partners capital excluding noncontrolling interests	8,778	8,133
Noncontrolling interests	58	58
Total partners capital	8,836	8,191
Total liabilities and partners capital	\$ 21,724	\$ 22,256

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions, except per unit data)

	Three Months Ended March 31,	
	2015	2014
	(unaudited)	
REVENUES		
Supply and Logistics segment revenues	\$ 5,632	\$ 11,346
Transportation segment revenues	185	181
Facilities segment revenues	125	157
Total revenues	5,942	11,684
COSTS AND EXPENSES		
Purchases and related costs	5,042	10,670
Field operating costs	346	336
General and administrative expenses	78	89
Depreciation and amortization	107	96
Total costs and expenses	5,573	11,191
OPERATING INCOME	369	493
OTHER INCOME/(EXPENSE)		
Equity earnings in unconsolidated entities	37	20
Interest expense (net of capitalized interest of \$14 and \$11, respectively)	(102)	(78)
Other expense, net	(4)	(2)
INCOME BEFORE TAX	300	433
Current income tax expense	(42)	(36)
Deferred income tax benefit/(expense)	26	(12)
NET INCOME	284	385
Net income attributable to noncontrolling interests	(1)	(1)
NET INCOME ATTRIBUTABLE TO PAA	\$ 283	\$ 384
NET INCOME ATTRIBUTABLE TO PAA:		
LIMITED PARTNERS	\$ 138	\$ 268
GENERAL PARTNER	\$ 145	\$ 116
BASIC NET INCOME PER LIMITED PARTNER UNIT	\$ 0.36	\$ 0.74
DILUTED NET INCOME PER LIMITED PARTNER UNIT	\$ 0.35	\$ 0.73
BASIC WEIGHTED AVERAGE LIMITED PARTNER UNITS OUTSTANDING	383	360
DILUTED WEIGHTED AVERAGE LIMITED PARTNER UNITS OUTSTANDING	385	363

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / (LOSS)**

(in millions)

	Three Months Ended March 31,	
	2015	2014
	(unaudited)	
Net income	\$ 284	\$ 385
Other comprehensive loss	(376)	(136)
Comprehensive income/(loss)	(92)	249
Comprehensive income attributable to noncontrolling interests	(1)	(1)
Comprehensive income/(loss) attributable to PAA	\$ (93)	\$ 248

The accompanying notes are an integral part of these condensed consolidated financial statements.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN****ACCUMULATED OTHER COMPREHENSIVE INCOME / (LOSS)**

(in millions)

	Derivative Instruments		Translation Adjustments (unaudited)		Total
Balance at December 31, 2014	\$ (159)	\$	(308)	\$	(467)
Reclassification adjustments	(6)				(6)
Deferred loss on cash flow hedges, net of tax	(72)				(72)
Currency translation adjustments			(298)		(298)
Total period activity	(78)		(298)		(376)
Balance at March 31, 2015	\$ (237)	\$	(606)	\$	(843)

	Derivative Instruments		Translation Adjustments (unaudited)		Total
Balance at December 31, 2013	\$ (77)	\$	(20)	\$	(97)
Reclassification adjustments	20				20
Deferred loss on cash flow hedges, net of tax	(32)				(32)
Currency translation adjustments			(124)		(124)
Total period activity	(12)		(124)		(136)

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Balance at March 31, 2014	\$	(89)	\$	(144)
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