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PACIFIC ENERGY PARTNERS LP

Form 8-K

January 28, 2004

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)
January 27, 2004

PACIFIC ENERGY PARTNERS, L.P.
(Exact name of registrant as specified in its charter)

Delaware	313345	68-0490580
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

5900 Cherry Avenue
Long Beach, CA 90805
(Address of principal executive office)

(562) 728-2800
(Registrant's telephone number, including area code)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

99.1 Pacific Energy Partners, L.P. Press Release dated January 27,
2004.

ITEM 9. AND 12. REGULATION FD DISCLOSURE; RESULTS OF OPERATIONS AND
FINANCIAL CONDITION.

Attached as Exhibit 99.1 is a copy of a press release, dated January
27, 2004, announcing Pacific Energy Partners, L.P. fourth quarter 2003 financial
results.

In accordance with General Instruction B.2. of Form 8-K and Securities
and Exchange Commission Release No. 33-8176, the above information is being
furnished under Items 9 and 12 of Form 8-K and is not deemed "filed" for
purposes of Section 18 of the Securities Exchange Act of 1934, is not subject to

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the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933.

A calculation of distributable cash flow for each of the three and twelve months ended December 31, 2003 is presented in the press release included as an exhibit to this Form 8-K. Distributable cash flow is a non-generally accepted accounting principle financial measure. The amounts included in the calculation of this financial measure are computed in accordance with generally accepted accounting principles ("GAAP"), with the exception of maintenance capital expenditures. Maintenance or sustaining capital expenditures are defined as only those capital expenditures that do not increase the capacity of an asset or generate additional revenues or cash flow from operations. The press release includes a reconciliation of distributable cash flow to net income, which is the nearest comparable GAAP financial measure.

We believe that investors benefit from having access to the same financial measures being utilized by management. Distributable cash flow is a significant metric used by our management to compare cash flows generated by the partnership to the cash distributions we make to our partners. Using this metric, management can quickly compute the coverage ratio of these cash flows to cash distributions. This is an important financial measure for our limited partners (including public unitholders) since it is an indicator of our success in providing a cash return on their investment. Specifically, this financial measure tells investors whether or not the partnership is generating cash flows at a level that can sustain or support an increase in our quarterly cash distributions paid to partners. Lastly, distributable cash flow is the quantitative standard used throughout the investment community with respect to publicly-traded partnerships.

Several adjustments to net income are required to calculate distributable cash flow. These adjustments include: (1) the addition of non-cash depreciation and amortization expense; (2) the addition of non-cash amortization of debt issue costs, which are included in interest expense; (3) the addition of non-cash employee compensation under the long-term incentive plan, which is included in general and administrative expense; and (4) the subtraction of maintenance capital expenditures.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Pacific Energy Partners, L.P.

Dated: January 27, 2004

by: /s/ Gerald A. Tywoniuk

Senior Vice President, Chief
Financial Officer and Treasurer
Pacific Energy GP, Inc.,
General Partner of
Pacific Energy Partners, L.P.

EXHIBIT INDEX

Exhibit 99.1 -- Pacific Energy Partners, L.P. Press Release dated
January 27, 2004