

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 19, 2004**

VALERO L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-16417
(Commission File Number)

74-2956831
(IRS Employer
Identification No.)

One Valero Way
San Antonio, Texas
(Address of principal executive offices)

78249
(Zip Code)

Registrant's telephone number, including area code: **(210) 345-2000**

Item 7. Financial Statements and Exhibits

(c) Exhibits.

99.1 Presentation by Valero L.P. (the "Partnership") August 19, 2004.

Item 9. Regulation FD Disclosure.

The Partnership is furnishing herewith certain data being presented to analysts and investors on August 19, 2004. The presentation is set forth in Exhibit 99.1 hereto and incorporated by reference herein. The exhibit is not filed but is furnished pursuant to Regulation FD.

SIGNATURE

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 hereunto duly authorized.

VALERO L.P.

By: Riverwalk Logistics, L.P.
its general partner

By: Valero GP, LLC
its general partner

Date: August 19, 2004

By: /s/Bradley C. Barron
Name: Bradley C. Barron
Title: Corporate Secretary

EXHIBIT INDEX

Number

Exhibit

99.1 Presentation by Valero L.P. (the "Partnership") on August 19, 2004.

Exhibit 99.1

Valero LP



*August 2004 Management
Presentation*



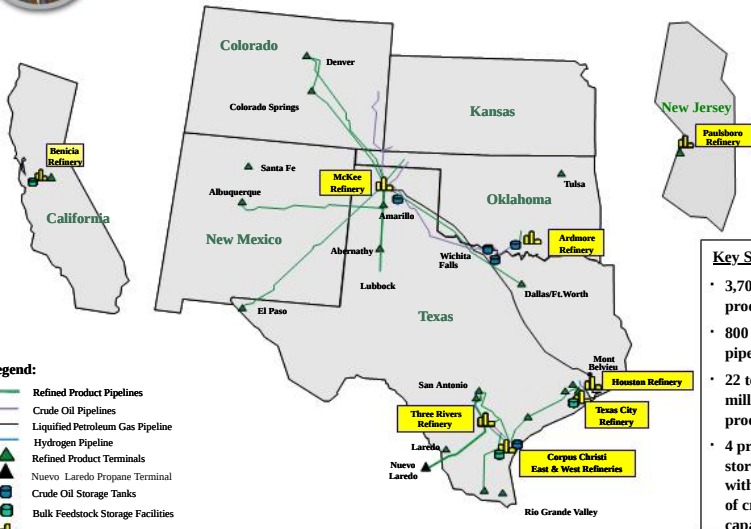
Forward Looking Statements

Cautionary Statement Regarding Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of Valero L.P. All forward-looking statements are based on the partnership's beliefs as well as assumptions made by and information currently available to the partnership. These statements reflect the partnership's current views with respect to future events and are subject to various risks, uncertainties and assumptions. These risks, uncertainties and assumptions are discussed in the prospectus and prospectus supplement, Valero L.P.'s 2003 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.



System Overview



- Legend:**
- Refined Product Pipelines
 - Crude Oil Pipelines
 - Liquefied Petroleum Gas Pipeline
 - Hydrogen Pipeline
 - ▲ Refined Product Terminals
 - ▲ Nuevo Laredo Propane Terminal
 - Crude Oil Storage Tanks
 - Bulk Feedstock Storage Facilities
 - Valero Energy Refineries

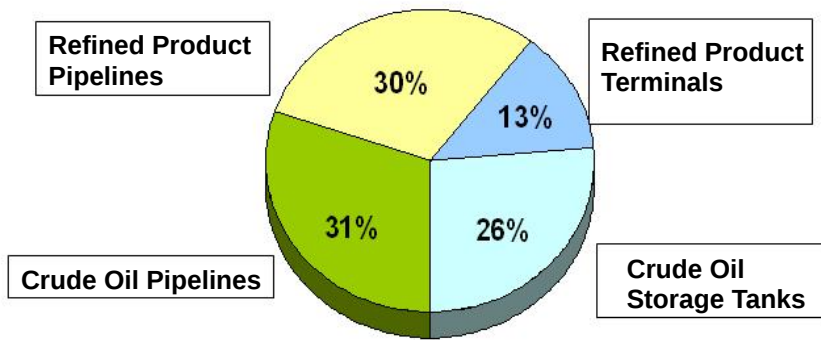
Key Statistics:

- 3,700 miles of refined product pipelines
- 800 miles of crude oil pipelines
- 22 terminals with 4.5 million barrels of refined product storage capacity
- 4 primary crude oil storage tank facilities with 12.6 million barrels of crude oil storage capacity





Balanced Portfolio of Assets



◆ Percentage of total operating income for the six months ended June 30, 2004



Strong Relationship with Valero Energy

- ◆ Valero L.P. assets critical to profitability of 8 Valero Energy refineries
 - Long-term handling and throughput agreements in place
 - 100% of crude oil and other feedstocks at 3 refineries
 - 75% of feedstocks and production at 3 refineries
- ◆ Valero Energy retains all commodity risk
- ◆ Pre-existing environmental risk retained by Valero Energy
- ◆ Insurance coverage through Valero Energy's program
- ◆ Valero Energy maintains a significant retained interest
 - 46% ownership (44% subordinated common; 2% GP interest)
 - GP weighted average incentive distribution at around 7.5%
- ◆ GP's incentive distribution limited to 25%



Strong Financial Position

(Dollars and Units in thousands, except EPU)

Financial Highlights

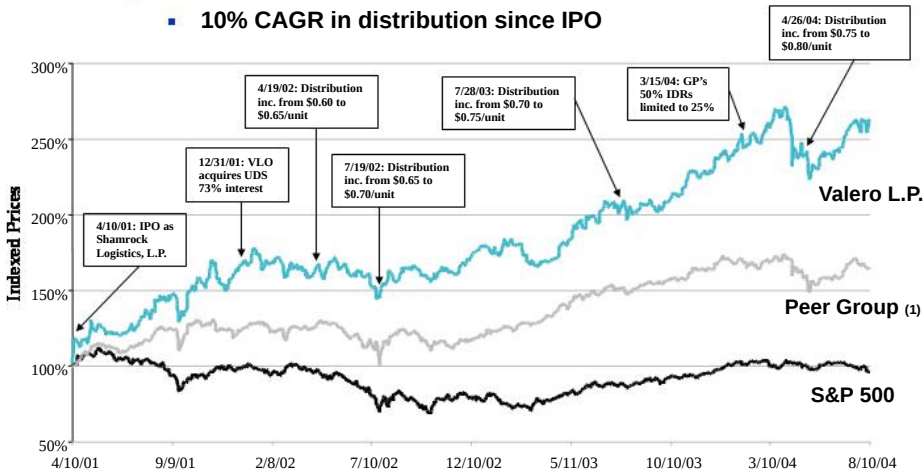
	<u>3 Mos. Ended 6/30/2004</u>	<u>6 Mos. Ended 6/30/2004</u>
Revenues	\$55,707	\$108,031
Net Income applicable to LPs	\$18,222	\$36,703
EPU	\$0.79	\$1.59
EBITDA	\$33,026	\$65,996
Distributable Cash Flow		
applicable to LPs	\$22,033	\$45,204
Coverage Ratio	1.20x	1.20x
Debt-to-capitalization	47.2%	47.2%



Valero L.P. Has Outperformed Peers Since IPO

◆ 163% total shareholder return since IPO

■ 10% CAGR in distribution since IPO



(1) Buckeye Partners, Enbridge Energy Partners, Enterprise Products Partners, GulfTerra, Kaneb Pipeline Partners, Kinder Morgan Energy Partners, Magellan Midstream Partners, Northern Border Partners, Pacific Energy Partners, Plains All American Pipeline, Sunoco Logistics Partners, TC Pipeline Partners, TEPPCO Partners.

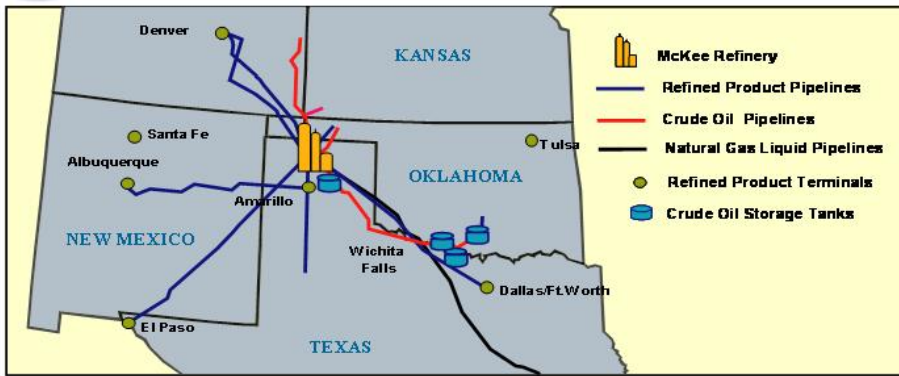


Valero L.P. Strategy

- ◆ Continued growth through acquisitions
 - Focused on acquiring stable, fee-based assets which are accretive to EPU and distributable cash flow
- ◆ Internal growth
 - Increase utilization of existing assets
 - McKee Refinery System
 - Expand existing systems
 - South Texas Pipeline System
 - Dos Laredos
 - Invest in new logistics projects
- ◆ Continuous improvement of operations
 - Control costs
- ◆ Improve safety and reliability
 - Upgrade information controls systems



McKee Refinery System



- ◆ Valero LP captures margin on nearly all of Valero Energy's McKee refinery feedstock and product movements
 - Multiple markets available for McKee's production
- ◆ Efforts underway to increase utilization on product lines



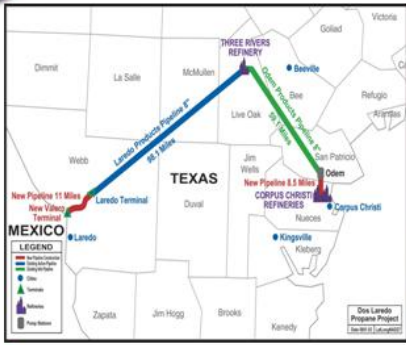
South Texas Pipeline System



- ◆ Expansion of Valley Line from 23 MBPD to 35 MBPD
- ◆ Extension of line from Edinburg to Harlingen (40 miles)
- ◆ Potential opportunities into Northern Mexico



Dos Laredos Project



- ◆ Valero LP supplying 5 mbpd of LPG to Pemex Gas at a new 35,000 bbl terminal in Nuevo Laredo, Mexico
 - Construction completed on June 1, 2004
- ◆ Total investment of approximately \$28 million
- ◆ Annual EBITDA contribution of around \$4 million
- ◆ Opportunities to increase volumes and expand deeper into Mexico



Key Investment Highlights

- ◆ **Track record of growth and value creation through accretive acquisitions**
 - More than doubled in size since IPO in April 2001
 - Completed nearly \$530 million of accretive acquisitions
- ◆ **Balanced portfolio of fee-based assets**
 - No exposure to commodity price volatility
- ◆ **Strong sponsor support**
 - 46% owned by Valero Energy
- ◆ **Solid financial position**
 - Modest leverage and conservative capital structure
 - Track record of strong and consistent cash flow generation
- ◆ **Strong distribution coverage**



Appendix



Reconciliation of Net Income to EBITDA and Distributable Cash Flow

The following is a reconciliation of net income to EBITDA and distributable cash flow (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income	\$19,706	\$18,132	\$39,676	\$30,514
Plus interest expense, net	5,071	4,736	10,197	7,113
Plus depreciation and amortization	8,249	7,269	16,123	11,552
EDITDA	33,026	30,137	65,996	49,179
Less equity income from Skelly-Belvieu Pipeline Company	(177)	(600)	(730)	(1,331)
Less interest expense, net	(5,071)	(4,736)	(10,197)	(7,113)
Less reliability capital expenditures	(3,321)	(1,446)	(5,038)	(2,638)
Plus distributions from Skelly-Belvieu Pipeline Company	287	879	975	1,627
Distributable cash flow	\$24,744	\$24,234	\$51,006	\$39,724