

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K  
CURRENT REPORT

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

JULY 9, 2002  
(Date of Earliest Event Reported)

VALERO L.P.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other  
jurisdiction  
of incorporation)

001-16417  
(Commission File Number)

74-2958817  
(IRS Employer  
Identification  
Number)

ONE VALERO PLACE  
SAN ANTONIO, TEXAS 78212  
(210)370-2000  
(Address, including zip code, and telephone number)

Item 9. Regulation FD Disclosure

Attached materials are to be furnished to and discussed with underwriters and securities brokers at presentations beginning on July 9, 2002.

(a) Exhibits.

99.1 Presentation materials.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Valero L.P. 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.  
By: Valero GP, LLC

By: /s/ Todd Walker  
Its: Secretary

Date: July 9, 2002

EXHIBITS

99.1 Presentation materials.



***\$100 Million Notes Offering***

**July 2002**

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## *Safe Harbor Statement*

Statements made in this presentation which are forward-looking statements involve risks and uncertainties. These uncertainties include, but are not limited to, economic conditions, product demand, competitive products and pricing, availability of products, the regulatory environment, and other risks indicated in filings with the Securities and Exchange Commission such as Valero LP's most recent filings. Actual financial results may vary substantially from the results included in these forward-looking statements.

## Offering Summary

<b>Issuer:</b>	Valero Logistics Operations, LP
<b>Guarantor:</b>	Valero LP
<b>Maturity:</b>	Intermediate
<b>Ranking:</b>	Senior Unsecured
<b>Amount:</b>	\$100 million
<b>Ratings:</b>	Baa2 / BBB
<b>Form of Offering:</b>	SEC Registered
<b>Use of Proceeds:</b>	Repay short-term debt & general corporate purposes
<b>Bookrunner:</b>	JPMorgan
<b>Key Covenants:</b>	<ul style="list-style-type: none"><li>- Standard investment grade</li><li>- Repurchase upon change in control resulting in non-investment grade credit ratings</li><li>- \$10MM cross-default provision</li></ul>

## *Management Representatives*

**Curt Anastasio**

**President & Chief  
Executive Officer**

## *Investment Considerations*

- ◆ Owner and operator of more than 3,600 miles of crude oil and refined product pipelines and 11 refined product terminals primarily in Texas, New Mexico, Colorado and Oklahoma
- ◆ Strategic relationship with Valero Energy provides cash flow stability due to long term transportation contract and opportunities for further profitable growth
  - core infrastructure assets supporting refineries
  - greater than 50% of pipeline ownership mileage constructed since 1990
- ◆ No direct exposure to commodity price volatility; does not engage in trading of crude oil or refined products
- ◆ Low level of maintenance capital expenditures
- ◆ Modest leverage and conservative capitalization relative to MLP peers

## Valero LP Recent History

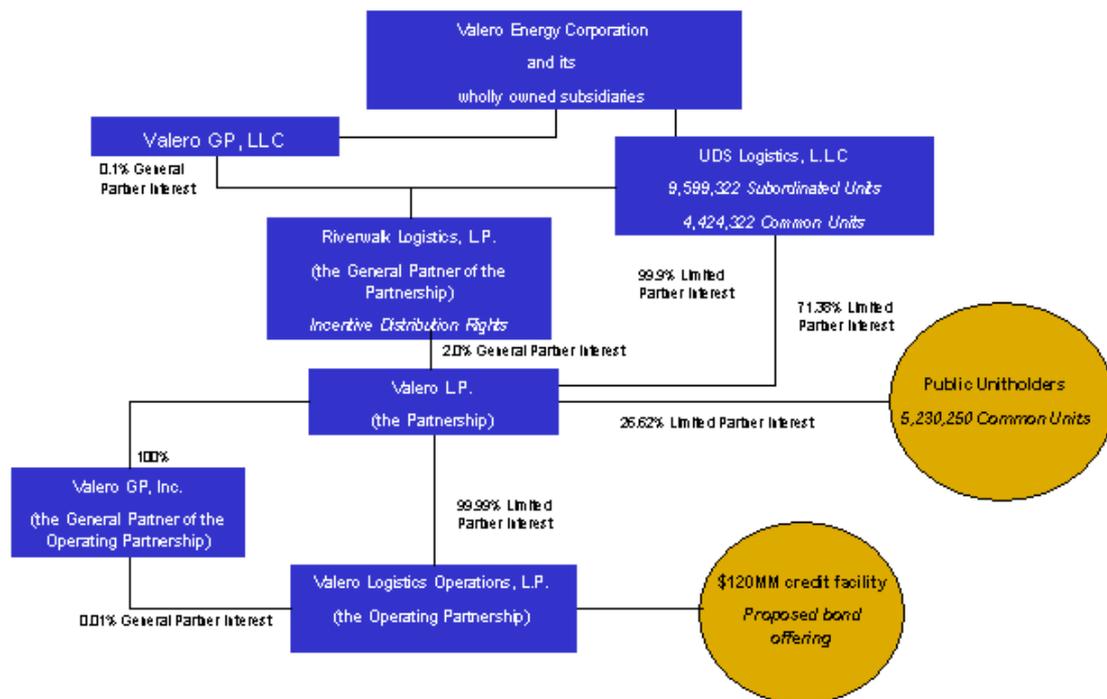
- ◆ Originally created by UDS as Shamrock Logistics LP to support growth of pipeline and terminals business
- ◆ IPO April 16, 2001 at \$24.50 per unit
  - Market value at IPO of \$470MM; current market capitalization of approximately \$750MM

- ◆ **Ownership Structure**

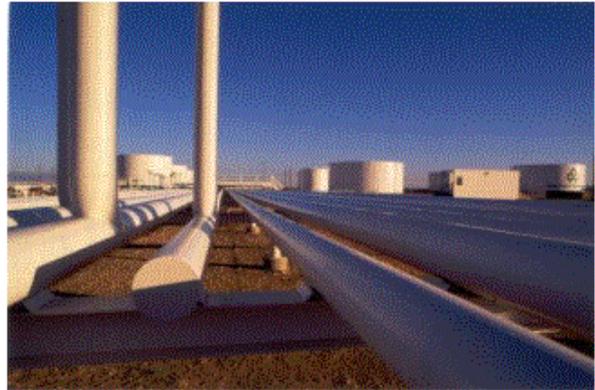
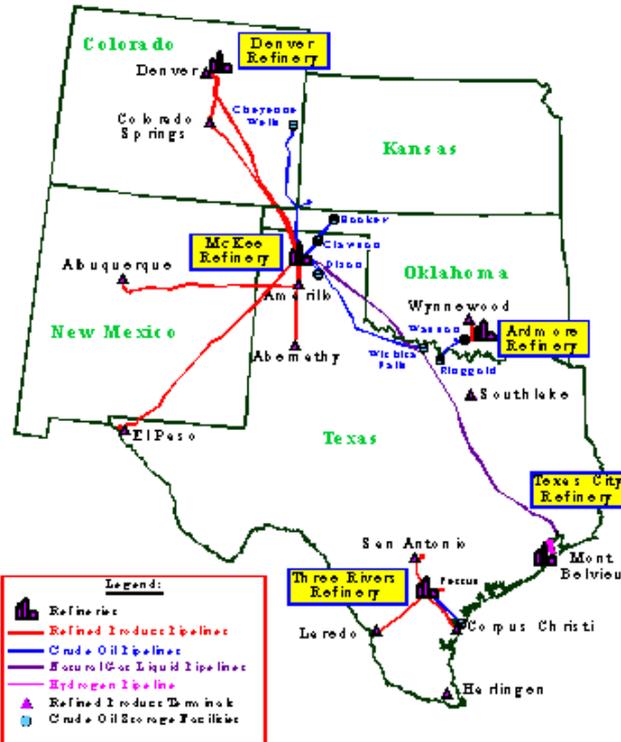
Common Units	Units	% Total	
Public	5,230,250	26.6%	} <b>73.4% Valero Energy ownership</b>
Valero Energy	4,424,322	22.5%	
Subordinated Units	9,599,322	48.9%	
General Partner Interest		2.0%	
Total	19,253,894	100.0%	

- ◆ Minimum quarterly distributions at \$0.60 per unit (\$2.40/LP unit/year)
- ◆ First quarter distribution raised to \$0.65 per unit
- ◆ Yields 7.03% at July 5, 2002 price of \$37.00/unit

# Valero LP - Legal Structure



# Operations Strategically Integrated with Valero



2,870	Refined Product Miles
782	Crude Oil Miles
18	Hydrogen Miles
18	Product Pipelines
11	Refined Product Terminals
9	Crude Oil Pipelines
1	Hydrogen Pipeline
5	Crude Oil Storage Facilities

## *Current Asset Base*

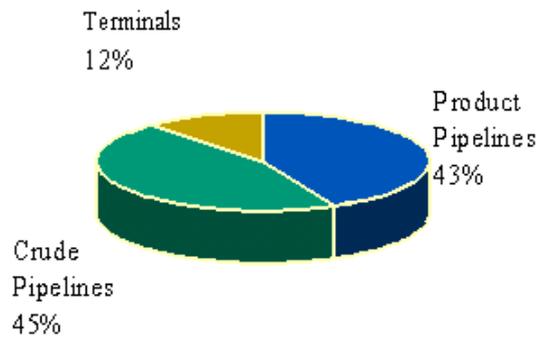
- ◆ Valero LP's current asset base is focused around three Valero Energy refineries and comprised of three asset types
  - Crude oil pipelines, refined product pipelines and refined product terminals
  - McKee, TX; Ardmore, OK; and Three Rivers, TX refining systems
- ◆ Majority of earnings and cash flow derived from three crude pipelines (40%) and two product pipelines (25%)
  - Crude Pipelines
    - Wichita Falls to McKee
    - Corpus Christi to Three Rivers
    - Wasson to Ardmore
  - Product Pipelines
    - McKee to El Paso
    - McKee to Denver
- ◆ Product pipelines supply Valero Energy retail and wholesale businesses in growing markets

## *Valero LP and Valero Energy are closely related*

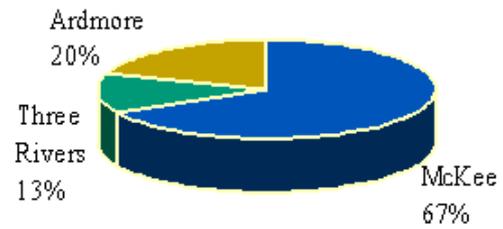
- ◆ Valero LP supports Valero Energy Corporation's strategy of reaching higher margin and fast-growing markets
- ◆ Valero LP pipelines must be used to transport at least 75% of the crude and refined products associated with three Valero Energy Corporation refineries and Valero LP terminals must be used to transport at least 50% of all products
- ◆ Valero Energy Corporation cannot challenge tariffs and fees until 2008
- ◆ Seven-year transportation contract with Valero Energy Corporation provides cash flow stability
- ◆ Valero Energy personnel are managing Valero LP
- ◆ Debt of Valero LP consolidated with Valero Energy Corporation
- ◆ No commodity risk - Valero LP does not own the crude or products

# Distribution of Valero LP's EBITDA

### EBITDA by Segment



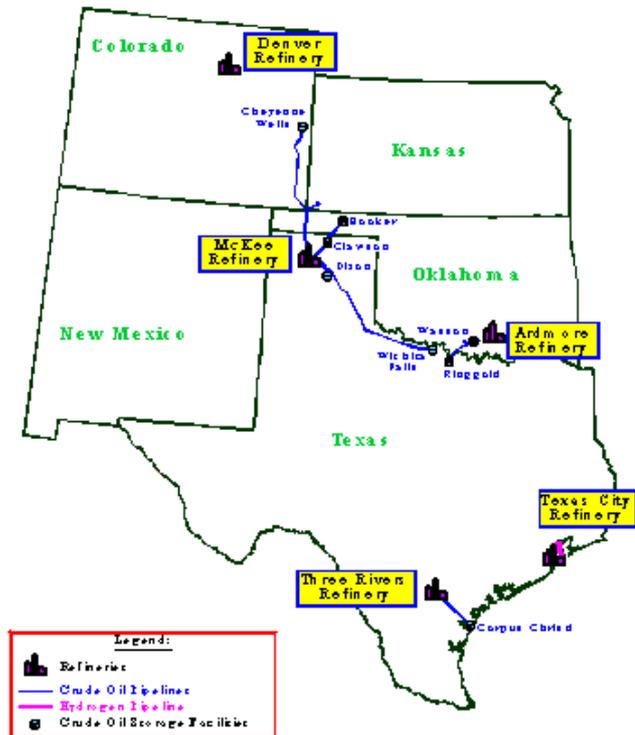
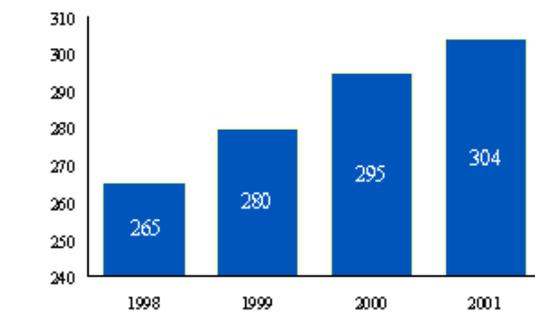
### EBITDA by Refinery



# Crude Oil Pipelines Access Key Sources

Our pipelines currently supply crude oil to the McKee, Ardmore, and Three Rivers refineries and provide access to Texas, Gulf Coast and foreign crude sources

Barrels per Day  
000s

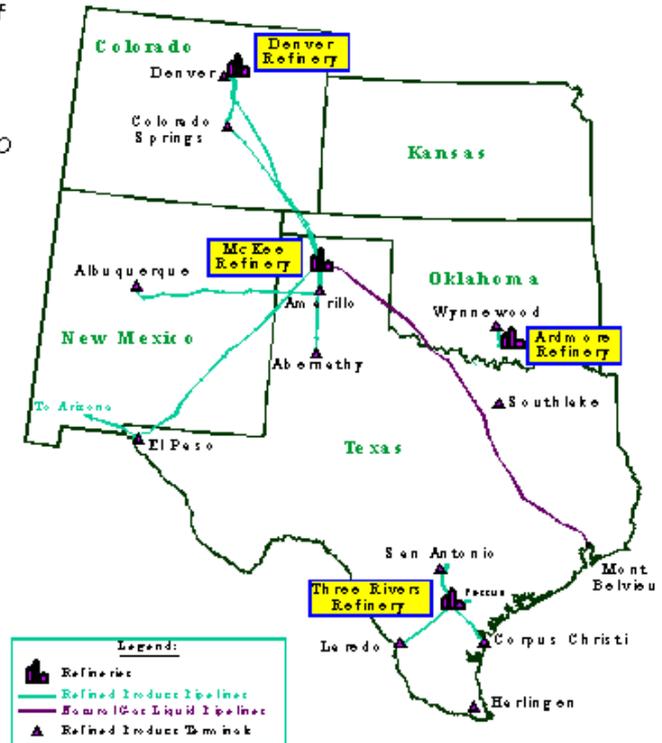
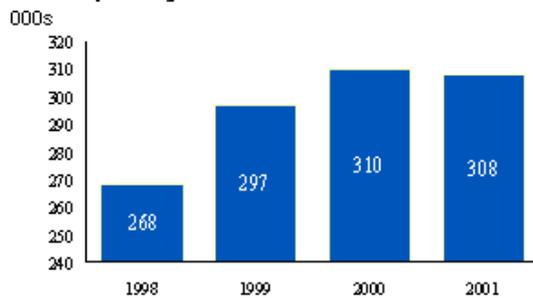


# Refined Product Pipelines Into Key Markets

Our pipelines currently transport over 80% of all refined products that are moved by pipeline out of the McKee, Ardmore, and Three Rivers refineries and provide access to established markets with growth potential.

- Denver
- El Paso
- Albuquerque
- Mexican border region

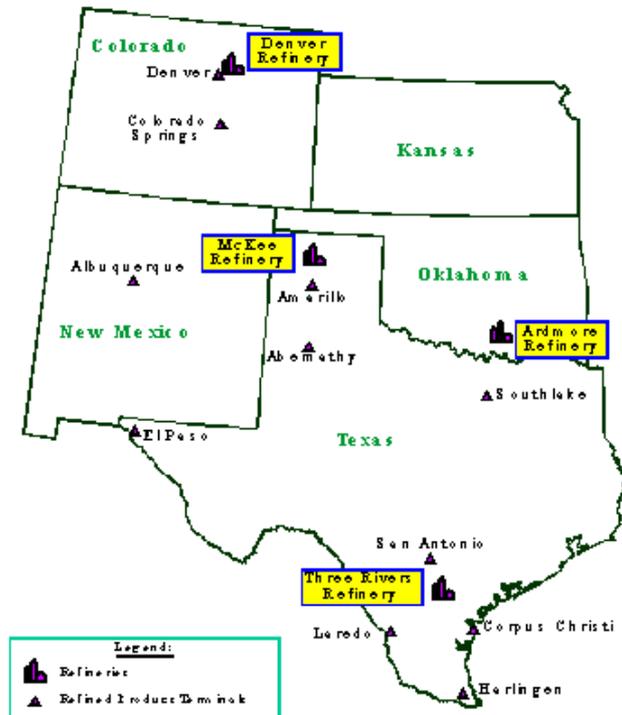
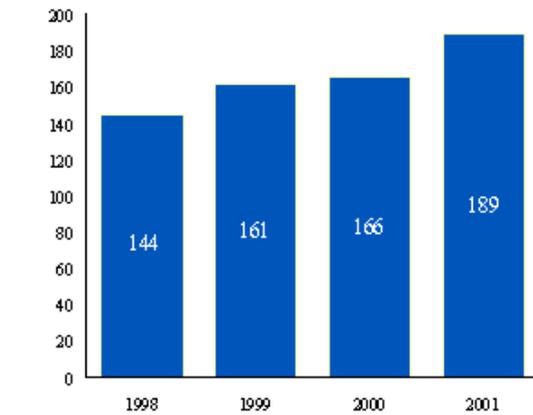
Barrels per Day



# Product Terminals Strategically Located

*Our product terminals are Valero Energy's primary wholesale outlet in its Mid-continent markets*

Barrels per Day  
000s



## *Valero LP Strategic Vision*

- ◆ To be a premier, growth-oriented master limited partnership in the energy industry
- ◆ To focus on owning and operating pipeline and other transportation, storage, terminalling, and processing assets acquired from Valero Energy and third parties
- ◆ To finance our operations and growth in a manner consistent with an investment grade rating

## Strategic Initiatives

- ◆ Potential acquisitions of assets from Valero Energy
  - \$100+ million of asset value identified thus far
- ◆ Third-party acquisitions
  - Pipelines and terminals that integrate with existing assets
  - Logistics assets that extend Valero Energy's marketing reach
- ◆ Internally generated growth
  - Higher throughput
  - Selectively expand capacity
  - Continuously improve operating efficiency
  - Maintain a safe and environmentally sound business



## *Financial Policies*

- ◆ Strong commitment to investment grade ratings through maintenance of modest leverage and robust coverage ratios
- ◆ Consistently increasing cash flow per unit is a fundamental mission of the company
- ◆ Realize greater operational efficiency through higher throughput on existing pipelines and shifting volumes to higher tariff pipelines
- ◆ Disciplined acquisition policy - focus on accretive transactions and assets that are closely related to existing infrastructure

## Financial Highlights

(in thousands)	2000	2001	2002 Q1	LTM <sup>1</sup>
Revenues	\$92,053	\$98,827	\$26,024	\$101,429
Operating Income	41,149	46,505	10,696	46,840
Adjusted EBITDA	58,983	62,769	15,822	64,353
Interest Expense	5,181	3,811	556	2,123
Total Assets	329,484	387,546	385,025	385,025
Total Debt	118,360	26,122	90,076	90,076
Total Equity	204,838	342,166	289,652	289,652
Total Capital	323,198	368,288	379,728	379,728
Maintenance CapEx	2,318	2,786	789	2,830
Growth CapEx	4,704	15,140	1,009	15,987
Debt / Capital	36.6%	7.1%	23.7%	23.7%
Debt / Adjusted EBITDA	2.0	0.4	1.4	1.4

1. Rolling last twelve months data

## Valero LP Capitalization

As of March 31, 2002

\$ in 000s

	Actual	As Adjusted
Long-term debt, including current portion	\$10,076	\$10,076
Credit Facility Borrowings	80,000	-
New Senior Notes	-	100,000
Total Debt	90,076	110,076
Common Units	168,433	168,433
Subordinated Units	115,429	115,429
General Partner's Equity	5,790	5,790
Total Partner's Equity	289,652	289,652
Total Capitalization	379,728	399,728

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