

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): July 28, 2003

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.)
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One Valero Place San Antonio, Texas (Address of principal executive offices)	78212 (Zip Code)
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Registrant's telephone number, including area code: (210) 370-2000

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release dated July 28, 2003.

Item 12. Results of Operations and Financial Condition.

On July 28, 2003, Valero L.P. (the "Partnership") issued a press release announcing financial results for the quarter ended June 30, 2003. A copy of the press release is furnished with this report as Exhibit 99.1, and is incorporated herein by reference. The press release discloses certain financial measures (EBITDA and distributable cash flow) that are non-GAAP financial measures as defined under SEC rules. The press release furnishes a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Reasons for the Partnership's use of these non-GAAP financial measures are disclosed in the Partnership's annual report on Form 10-K for the year ended December 31, 2002, under the caption "Item 6. Selected Financial Data."

The information in this report is being furnished, not filed, pursuant to Item 12 of Form 8-K. Accordingly, the information in Item 12 of this report will not be incorporated by reference into any registration statement filed by the Partnership under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

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: July 28, 2003

By: /s/Bradley C. Barron

Name: Bradley C. Barron
Title: Corporate Secretary

EXHIBIT INDEX

Number -----	Exhibit -----
99.1	Press Release dated July 28, 2003.

Valero L.P. Reports
Second Quarter Earnings and
Announces Distribution Increase

SAN ANTONIO, July 28, 2003 -- Valero L.P. (NYSE: VLI) today announced net income applicable to limited partners of \$17.1 million, or \$0.79 per unit, for the second quarter of 2003, compared to \$14.6 million, or \$0.76 per unit, for the second quarter of 2002. For the first six months of 2003, net income applicable to limited partners was \$28.8 million, or \$1.40 per unit, compared to \$24.2 million, or \$1.26 per unit, for the same period last year. Distributable cash flow before the general partner's interest for the second quarter was \$24.2 million, compared to \$18.1 million for the second quarter of 2002.

With respect to the quarterly distribution to unitholders payable for the second quarter of 2003, Valero L.P. today announced that it has declared a distribution of \$0.75 per unit payable August 14, 2003 to holders of record as of August 5, 2003. This distribution represents an increase of \$.05 per unit over the distribution for the first quarter paid in May 2003.

The increase in net income for the quarter was primarily related to the benefit from the pipeline and feedstock storage assets acquired March 18, 2003 from Valero Energy Corporation. The increase was partially offset by the effect of reduced throughput volumes related to unplanned refinery outages at Valero Energy's Benicia, Texas City and Ardmore refineries during the quarter.

"We are pleased to be able to report both good financial results and another increase in the quarterly distribution for the partnership," said Curt Anastasio, Chief Executive Officer. "This represents the third five-cent increase in the quarterly distribution since we went public in April 2001 and reflects the continuing successful growth of the partnership. Our most recent acquisition of pipelines and feedstock storage assets from Valero Energy in March of this year continues to perform well and is exceeding our initial expectations."

"We remain in a great position to grow our asset base. Our primary goal continues to be to further increase cash distributions to unitholders through additional accretive acquisitions and internal growth opportunities while maintaining our solid financial position," said Anastasio.

A conference call with management is scheduled for 11:00 a.m. ET (10:00 a.m. CT) today, (July 28), to discuss the financial and operational results for the second quarter of 2003. Anyone interested in listening to the presentation can call 800/901-5213, ID 98952190, or listen via the internet on the company's web site at www.valerolp.com.

Valero L.P. owns and operates crude oil and refined product pipelines, refined product terminals and refinery feedstock storage assets primarily in Texas, New Mexico, Colorado, Oklahoma and California. The partnership transports refined products from Valero Energy's refineries to established and growing markets in the Mid-Continent, Southwest and the Texas-Mexico border region of the United States. In addition, its pipelines and storage facilities primarily supply six of Valero Energy's key refineries with crude oil and other feedstocks as well as provide access to domestic and foreign crude oil sources.

Cautionary Statement Regarding Forward-Looking Statements

This press release 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 Valero L.P.'s 2002 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.

For more information, visit Valero L.P.'s web site at www.valerolp.com.

Valero L.P.
Consolidated Financial Information
June 30, 2003 and 2002
(unaudited, in thousands, except unit data,
per unit data and barrel information)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
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Statement of Income Data (Note 1):				
Revenues	\$ 47,542	\$ 30,030	\$ 79,358	\$ 56,054
Costs and expenses:				
Operating expenses	16,335	9,565	27,996	18,749
General and administrative expenses	1,670	1,698	3,514	3,487
Depreciation and amortization	7,269	3,876	11,552	8,231
Total costs and expenses	25,274	15,139	43,062	30,467
Operating income	22,268	14,891	36,296	25,587
Equity income from Skelly-Belvieu Pipeline Company	600	844	1,331	1,522
Interest expense, net (Note 2)	(4,736)	(796)	(7,113)	(1,352)
Income before income tax expense	18,132	14,939	30,514	25,757
Income tax expense (Note 3)	-	-	-	395
Net income	18,132	14,939	30,514	25,362
Net income applicable to general partner including incentive distributions (Note 3)	(1,066)	(299)	(1,690)	(1,144)
Net income applicable to limited partners	\$ 17,066	\$ 14,640	\$ 28,824	\$ 24,218
Net income per unit applicable to limited partners (Note 4)	\$ 0.79	\$ 0.76	\$ 1.40	\$ 1.26
Weighted average number of limited partnership units outstanding (Note 5)	21,702,990	19,253,894	20,635,667	19,247,789
Earnings before interest, taxes and depreciation and amortization (EBITDA, Note 6)	\$ 30,137	\$ 19,611	\$ 49,179	\$ 35,340
Distributable cash flow (Note 6)	24,234	18,081	39,724	32,558
Operating Data (barrels/day):				
Crude oil pipeline throughput	348,390	360,558	340,619	336,605
Refined product pipeline throughput	396,639	303,654	347,000	283,375
Refined product terminal throughput	233,881	179,915	205,495	177,877
Crude oil tank throughput	475,280	-	277,468	-
	June 30, 2003	June 30, 2002	March 31, 2003	December 31, 2002
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Balance Sheet Data:				
Long-term debt, including current portion (Note 2)	\$ 365,231	\$ 101,076	\$ 383,891	\$ 109,658
Partners' equity (Note 5)	385,636	291,932	362,590	293,895
Debt-to-capitalization ratio	48.6%	25.7%	51.4%	27.2%

See accompanying notes on the following page.

Valero L.P.
Consolidated Financial Information - Continued
June 30, 2003 and 2002

Notes:

1. Effective March 18, 2003, Valero L.P. and Valero Energy Corporation (Valero Energy) entered into (i) a contribution agreement whereby Valero Energy contributed to Valero Logistics Operations, L.P. (Valero Logistics) certain crude oil and other feedstock tank assets in exchange for an aggregate amount of \$200,000,000 in cash, and (ii) a contribution agreement whereby Valero Energy contributed to Valero Logistics certain refined product pipelines and refined product terminals (referred to as the South Texas Pipelines and Terminals) in exchange for an aggregate amount of \$150,000,000 in cash. Effective January 7, 2003, Valero L.P. acquired an asphalt terminal in Pittsburg, California from Telfer Oil Company for \$15,100,000. The statement of income for the three months ended June 30, 2003, includes \$8,470,000 of operating income related to the tank assets and the South Texas Pipelines and Terminals and \$368,000 of operating income related to the Telfer asphalt terminal. The statement of income for the six months ended June 30, 2003, includes \$10,373,000 of operating income related to the tank assets and the South Texas Pipelines and Terminals for the period from March 19, 2003 through June 30, 2003, and \$911,000 of operating income related to the Telfer asphalt terminal. Partially offsetting the increase in operating income resulting from the acquisitions is an increase in net interest expense due to additional borrowings to partially fund the 2003 acquisitions.
2. Interest expense increased for the three months and six months ended June 30, 2003 as compared to the three months and six months ended June 30, 2002 primarily due to interest expense related to \$250,000,000 of 6.05% senior notes issued on March 18, 2003 and \$100,000,000 of 6.875% senior notes issued in July of 2002. The proceeds from the 6.875% senior note offering were used to repay borrowings under the variable-rate revolving credit facility. The private placement of the 6.05% senior notes and \$25,000,000 of borrowings under the revolving credit facility were used to fund a portion of the acquisitions discussed in Note 1 and the redemption of common units discussed in Note 5. During the six months ended June 30, 2003, Valero Logistics entered into various interest rate swaps, which effectively convert \$167,500,000 of fixed rate debt to variable rate debt.
3. Net income for the six months ended June 30, 2002 includes \$650,000 (net of income tax expense of \$395,000) related to the Wichita Falls Business for the month ended January 31, 2002. Such net income was allocated entirely to the general partner.
4. Net income is allocated between limited partners and the general partner's interests. Then such apportioned net income applicable to the limited partners is divided by the weighted average number of limited partnership units outstanding for such class. Net income per unit applicable to limited partners for the three months ended June 30, 2003 was impacted by the net increase in common units outstanding as a result of the March 2003 common unit offering and the April 2003 overallotment exercise. As a result, the net income per unit applicable to limited partners for the first and second quarters of 2003 does not equal the year-to-date sum of the 2003 per unit amount.
5. On March 18, 2003, Valero L.P. redeemed from Valero Energy 3,809,750 common units for \$134,065,000 in cash, using a portion of the proceeds from the \$250,000,000 private placement of 6.05% senior notes discussed in Note 2. Also on March 18, 2003, Valero L.P. closed on a public offering of 5,750,000 common units for total proceeds of \$202,342,000, net of underwriters' discount. On April 16, 2003, Valero L.P. closed on the exercise of a portion of the overallotment option by selling 581,000 common units for total proceeds of \$20,445,000, net of underwriters' discount. As a result of these common unit transactions, Valero Energy's aggregate ownership interest in Valero L.P. was reduced to 48.2%, including Riverwalk Logistics, L.P.'s 2% general partner interest.

Valero L.P.
Consolidated Financial Information - Continued
June 30, 2003 and 2002

6. The following is a reconciliation of income before income tax expense to EBITDA and distributable cash flow (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003 ----	2002 ----	2003 ----	2002 ----
Income before income tax expense	\$ 18,132	\$ 14,939	\$ 30,514	\$ 25,757
Plus interest expense, net	4,736	796	7,113	1,352
Plus depreciation and amortization	7,269	3,876	11,552	8,231
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EBITDA	30,137	19,611	49,179	35,340
Less equity income from Skelly-Belview Pipeline Company	(600)	(844)	(1,331)	(1,522)
Less interest expense, net	(4,736)	(796)	(7,113)	(1,352)
Less reliability capital expenditures	(1,446)	(741)	(2,638)	(1,530)
Plus distributions from Skelly-Belview Pipeline Company	879	851	1,627	1,622
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Distributable cash flow	\$ 24,234	\$ 18,081	\$ 39,724	\$ 32,558
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