

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

VALERO L.P.
(Exact Name of Registrant as Specified in Its Charter)

| | | |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------|
| DELAWARE (State or Other Jurisdiction of Incorporation or Organization) | 4610 (Primary Standard Industrial Classification Code Number) | 74-2956831 (I.R.S. Employer Identification Number) |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------|

ONE VALERO WAY
SAN ANTONIO, TEXAS 78249
(210) 345-2000
(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

CURTIS V. ANASTASIO
PRESIDENT AND CHIEF EXECUTIVE OFFICER
VALERO GP, LLC
ONE VALERO WAY
SAN ANTONIO, TEXAS 78249
(210) 345-2000
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

COPIES TO:

| | | |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| JOHN A. WATSON, ESQ. FULBRIGHT & JAWORSKI L.L.P. 1301 MCKINNEY, SUITE 5100 HOUSTON, TEXAS 77010 (713) 651-5151 | GISLAR DONNENBERG, ESQ. ANDREWS KURTH LLP 600 TRAVIS, SUITE 4200 HOUSTON, TEXAS 77002 (713) 220-4200 | LAWRENCE S. MAKOW, ESQ. WACHTELL, LIPTON, ROSEN & KATZ 51 WEST 52ND STREET NEW YORK, NEW YORK 10019 (212) 403-1000 |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effectiveness of this Registration Statement and the satisfaction or waiver of all other conditions to the merger of Kaneb Pipe Line Partners, L.P., or Kaneb Partners, with a subsidiary of the Registrant pursuant to the Agreement and Plan of Merger by and among the Registrant, Kaneb Partners and the other parties thereto described in the enclosed document.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 333-120726

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to Form S-4 Registration Statement No. 333-120726 is filed solely to file Exhibits 8.1a, 8.2a and 8.3a as additional exhibits to the Registration Statement. In accordance with Section 462(d) of the Securities Act of 1933, as amended, this Post-Effective Amendment shall become effective immediately upon filing with the Securities and Exchange Commission.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

- 2.1 Agreement and Plan of Merger, dated as of October 31, 2004, by and among Valero L.P., Riverwalk Logistics, L.P., Valero GP, LLC, Valero L.P. Sub A LLC and Kaneb Services LLC (attached as Appendix A to the Proxy Statement/Prospectus included in this Registration Statement).
- 2.2 Agreement and Plan of Merger, dated as of October 31, 2004, by and among Valero L.P., Riverwalk Logistics, L.P., Valero GP, LLC, Valero L.P. Sub B LLC, Kaneb Pipe Line Partners, L.P. and Kaneb Pipe Line Company LLC (attached as Appendix B to the Proxy Statement/Prospectus included in this Registration Statement).
- 5.1 Opinion of Bradley C. Barron, Esq. as to the legality of the securities.*
- 8.1 Opinion of Andrews Kurth LLP as to certain tax matters.*
- 8.1a Opinion of Andrews Kurth LLP as to certain tax matters.
- 8.2 Opinion of Wachtell, Lipton, Rosen & Katz as to certain tax matters.*
- 8.2a Opinion of Wachtell, Lipton, Rosen & Katz as to certain tax matters.
- 8.3 Opinion of Fulbright & Jaworski L.L.P. as to certain tax matters.*
- 8.3a Opinion of Fulbright & Jaworski L.L.P. as to certain tax matters.
- 23.1 Consent of Ernst & Young LLP.*
- 23.2 Consent of KPMG LLP for Kaneb Services.*
- 23.3 Consent of KPMG LLP for Kaneb Partners.*
- 23.4 Consent of Bradley C. Barron, Esq. (included in opinion filed as Exhibit 5.1).*
- 23.5 Consent of Andrews Kurth LLP (included in opinion filed as Exhibit 8.1).*
- 23.5a Consent of Andrews Kurth LLP (included in opinion filed as Exhibit 8.1a).
- 23.6 Consent of Wachtell, Lipton, Rosen & Katz (included in opinion filed as Exhibit 8.2).*
- 23.6a Consent of Wachtell, Lipton, Rosen & Katz (included in opinion filed as Exhibit 8.2a).
- 23.7 Consent of Fulbright & Jaworski (included in opinion filed as Exhibit 8.3).*
- 23.7a Consent of Fulbright & Jaworski (included in opinion filed as Exhibit 8.3a).
- 24.1 Powers of Attorney (included on signature page hereto).*
- 99.1 Form of Proxy for Holders of Valero L.P. common units.*
- 99.2 Form of Proxy for Holders of Kaneb Partners units.*
- 99.3 Form of Proxy for Holders of Kaneb Services common shares.*
- 99.4 Consent of Credit Suisse First Boston LLC.*
- 99.5 Consent of Raymond James & Associates, Inc.*
- 99.6 Consent of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.*

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* Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Valero L.P. has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in San Antonio, State of Texas, on the 6th day of July, 2005.

VALERO L.P.

By: RIVERWALK LOGISTICS, L.P.
its general partner

By: VALERO GP, LLC
its general partner

By: /s/ Curtis V. Anastasio

Name: Curtis V. Anastasio
Title: President and Chief
Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby appoints Curtis V. Anastasio, Steven A. Blank, Clayton E. Killinger and Bradley C. Barron, and each of them, any of whom may act without the joinder of the others, as his true and lawful attorney-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and any Registration Statement (including any amendment thereto) for this offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or would do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute and substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to Registration Statement has been signed below by the following persons in the capacities and on the dates indicated below.

| SIGNATURE | TITLE |
|------------------------------|---------------------------------------------------------------------------------------|
| ----- * | |
| ----- William E. Greehey | Chairman of the Board and Director |
| ----- * | |
| ----- Curtis V. Anastasio | President, Chief Executive Officer and Director (Principal Executive Officer) |
| ----- * | |
| ----- Steven A. Blank | Senior Vice President and Chief Financial Officer (Principal Financial Officer) |

*

Clayton E. Killinger

Vice President and Controller
(Principal Accounting Officer)

*

Dan J. Hill

Director

*

William R. Klesse

Director

*

Gregory C. King

Director

*

H. Frederick Christie

Director

*

Rodman D. Patton

Director

*

Robert A. Profusek

Director

Each person above holds his respective position at both Valero GP, LLC (the general partner of Riverwalk Logistics, L.P., the general partner of Valero L.P.) and Valero GP, Inc. (the general partner of Valero Logistics Operations, L.P.).

*By:

/s/ Bradley C. Barron

Bradley C. Barron
ATTORNEY-IN-FACT

EXHIBIT INDEX

- 2.1 Agreement and Plan of Merger, dated as of October 31, 2004, by and among Valero L.P., Riverwalk Logistics, L.P., Valero GP, LLC, Valero L.P. Sub A LLC and Kaneb Services LLC (attached as Appendix A to the Proxy Statement/Prospectus included in this Registration Statement).
- 2.2 Agreement and Plan of Merger, dated as of October 31, 2004, by and among Valero L.P., Riverwalk Logistics, L.P., Valero GP, LLC, Valero L.P. Sub B LLC, Kaneb Pipe Line Partners, L.P. and Kaneb Pipe Line Company LLC (attached as Appendix B to the Proxy Statement/Prospectus included in this Registration Statement).
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- 8.1 Opinion of Andrews Kurth LLP as to certain tax matters.*
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- 99.5 Consent of Raymond James & Associates, Inc.*
- 99.6 Consent of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.*

- - - - -

* Previously filed.

600 Travis, Suite 4200
Houston, Texas 77002
713.220.4200 Phone
713.220.4285 Fax
andrewskurth.com

July 1, 2005

Valero L.P.
One Valero Way
San Antonio, Texas 78249

TAX OPINION

Ladies and Gentlemen:

You have requested our opinion as to certain federal income tax matters in connection with (i) the merger (the "KSL Merger") of VLI Sub A LLC, a Delaware limited liability company ("VLI Sub A"), with and into Kaneb Services LLC, a Delaware limited liability company ("KSL"), pursuant to the Agreement and Plan of Merger (the "KSL Merger Agreement") dated as of October 31, 2004, by and among Valero L.P., a Delaware limited partnership ("VLI"), Riverwalk Logistics, L.P., a Delaware limited partnership ("VLI GP"), Valero GP, LLC, a Delaware limited liability company ("Parent GP"), VLI Sub A and KSL, and (ii) the merger (the "KPP Merger" and together with the KSL Merger, the "Mergers") of VLI Sub B LLC, a Delaware limited liability company ("VLI Sub B"), with and into Kaneb Pipe Line Partners, L.P., a Delaware limited partnership ("KPP"), pursuant to the Agreement and Plan of Merger (the "KPP Merger Agreement" and together with the KSL Merger Agreement, the "Merger Agreements") dated as of October 31, 2004, by and among VLI, VLI GP, Parent GP, VLI Sub B, KPP, and Kaneb Pipe Line Company LLC, a Delaware limited liability company. All capitalized terms which are not defined herein shall have the meanings assigned to them in the Merger Agreements.

In rendering our opinion, we have examined the registration statement on Form S-4, as amended, filed by VLI with the Securities and Exchange Commission on January 25, 2005, Registration No. 333-120726 (the "Registration Statement"), including the joint proxy statement/prospectus included therein and the documents incorporated by reference therein, and we have made such investigations of law as we have deemed appropriate as a basis for the opinions expressed below. As to any facts material to the opinion expressed herein which were not independently established or verified, we have relied upon written statements and representations of officers and other representatives of VLI, KSL and KPP (the "Representations"). We have also assumed that the Mergers will occur in the manner contemplated by the Registration Statement and in accordance with the Merger Agreements with none of the terms or conditions of the Merger Agreements being amended, waived or modified,

Austin Dallas Houston London Los Angeles New York
 The Woodlands Washington, DC

Valero L.P.
July 1, 2005
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and there are no arrangements other than those set forth in the Merger Agreements between the parties thereto.

In rendering our opinion, we have also assumed the due authorization, execution and delivery by each party thereto of all documents, the genuineness of all signatures, the authority of all persons signing such documents on behalf of each party thereto, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to the original document of any document submitted to us as a certified, conformed or photostatic copy. We have assumed that all representations made "to the best knowledge of" any person will be true, correct and complete as if made without that qualification.

Subject to the limitations and qualifications set forth herein, we are of the opinion, based on existing provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing Treasury regulations, existing court decisions, and existing public rulings and other administrative interpretations, and based on our review of such documents as we have deemed necessary, the Representations and all representations and assumptions contained in the Merger Agreements or Registration Statement, all assumed to be accurate as of the Effective Times, that:

(i) none of VLI, VLI Sub A, VLI Sub B, VLI GP, or Parent GP will recognize any income or gain as a result of the KSL Merger or the KPP Merger (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code),

(ii) no gain or loss will be recognized by holders of VLI Common Units as a result of the KSL Merger or the KPP Merger (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code), and

(iii) 90% of the combined gross income of each of VLI, KSL and KPP for (x) the calendar year ended December 31, 2004 and (y) the calendar quarter ended March 31, 2005 are from sources treated as "qualifying income" within the meaning of section 7704(d) of the Code.

Our opinion is based, in part, upon relevant legal authority in effect as of the date hereof. We provide no assurance that the legal authority upon which this opinion is based will not be amended, revoked or modified (with or without retroactive effect) in a manner which would affect or change our conclusions. Furthermore, should any of the representations or assumptions set forth or referred to above prove to be inaccurate, as of the Effective Times, our opinion may change.

Our opinion is limited to the federal income tax matters addressed herein, and no other opinions are rendered or can be inferred with respect to any other matter not specifically set forth in the foregoing opinion. Specifically, no opinions are expressed with respect to the tax consequences of the Mergers or the ownership of VLI Common Units under any foreign, state, or local tax law. Our opinion is rendered as of the date hereof and we assume no obligation to update or supplement it to reflect any change of fact, circumstance, or law after the date hereof.

In addition, our opinion is based on the assumption that the matter will be properly presented to the applicable court. Furthermore, our opinion is not binding on the Internal Revenue Service or a court. Finally, we must note that our opinion represents merely our best legal judgment on the matters presented and that others may disagree with our conclusions. Thus, there can be no assurance that the Internal Revenue Service will not take contrary positions or that a court would agree with our opinion if litigated.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm in the prospectus forming a part of the Registration Statement. In giving this consent, however, we do not hereby admit that we are within the category of persons whose consent is required under section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission issued thereunder.

Very truly yours,

/s/ Andrews Kurth LLP

TWF/TRP/RJM

[WACHTELL, LIPTON, ROSEN & KATZ LETTERHEAD]

July 1, 2005

Valero L.P.
One Valero Way
San Antonio, Texas 78249

Ladies and Gentlemen:

We have acted as special counsel to Valero L.P., a Delaware limited partnership ("VLI"), in connection with (i) the proposed merger (the "KSL MERGER") of VLI Sub A LLC, a Delaware limited liability company and a wholly-owned subsidiary of VLI ("VLI SUB A"), with and into Kaneb Services LLC, a Delaware limited liability company ("KSL"), pursuant to the Agreement and Plan of Merger, dated as of October 31, 2004 (the "KSL MERGER AGREEMENT"), by and among VLI, Riverwalk Logistics, L.P., a Delaware limited partnership and the general partner of VLI ("VLI GP"), Valero GP, LLC, a Delaware limited liability company and the general partner of VLI GP ("PARENT GP"), VLI Sub A, and KSL and (ii) the proposed merger (the "KPP MERGER", and together with the KSL Merger, the "MERGERS") of VLI Sub B LLC, a Delaware limited liability company and a wholly-owned subsidiary of VLI ("VLI SUB B", and collectively with VLI, VLI Sub A, VLI GP, and Parent GP, the "VLI ENTITIES"), with and into Kaneb Pipe Line Partners, L.P., a Delaware limited partnership ("KPP"), pursuant to the Agreement and Plan of Merger, dated as of October 31, 2004 (the "KPP MERGER AGREEMENT", and together with the KSL Merger Agreement, the "AGREEMENTS"), by and among VLI, VLI GP, Parent GP, VLI Sub B, KPP, and Kaneb Pipe Line Company LLC, a Delaware limited liability company that is the general partner of KPP ("KPP GP", and collectively, with KSL and KPP, the "KANE B Entities"). At your request, and pursuant to Section 7.2(c) of the KSL Merger Agreement and Section 7.2(c) of the KPP Merger Agreement, we are rendering our opinion concerning certain federal income tax consequences of the KSL Merger and the KPP Merger. Any capitalized term used and not defined herein has the meaning given to it in the KSL Merger Agreement.

Valero L.P.
Page 2

For purposes of the opinion set forth below, we have relied, with the consent of the VLI Entities and the consent of the Kaneb Entities, upon the accuracy and completeness of the statements and representations (which statements and representations we have neither investigated nor verified) contained, respectively, in the certificates of the officers of VLI, KSL and KPP dated the date hereof, and have assumed that such statements and representations will be accurate and complete as of the Effective Times (as if made as of such time) and that all such statements and representations made to the knowledge of any person or entity or with similar qualification are and will be true and correct as if made without such qualification. We have also relied upon the accuracy of the Registration Statement on Form S-4 filed with the Securities and Exchange Commission in connection with the Mergers and the joint proxy statement/prospectus (the "PROXY STATEMENT/PROSPECTUS") contained therein, each as amended or supplemented through the date hereof.

We have also assumed that (i) the transactions contemplated by the Agreements will be consummated in accordance therewith and as described in the Proxy Statement/Prospectus (and no transaction or condition described therein and affecting this opinion will be waived by any party), (ii) the Mergers will qualify as statutory mergers under the applicable laws of the State of Delaware and (iii) the Mergers will be reported by VLI, KSL and KPP on their respective federal income tax returns in a manner consistent with the opinion set forth below.

Based upon and subject to the foregoing, it is our opinion, under currently applicable United States federal income tax law, that (i) no VLI Entity will recognize any income or gain as a result of the KPP Merger or the KSL Merger (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code), (ii) no gain or loss will be recognized by holders of VLI Common Units as a result of the KPP Merger or the KSL Merger (other than any gain resulting from any decrease in partnership liabilities

pursuant to section 752 of the Code), and (iii) 90% of the combined gross income of each of VLI, KSL and KPP for (x) the calendar year ending December 31, 2004 and (y) the calendar quarter ending March 31, 2005 are from sources treated as "qualifying income" within the meaning of section 7704(d) of the Code.

We hereby consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement, and to the references therein to us. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

This opinion relates solely to certain United States federal income tax consequences of the Mergers and no opinion is expressed as to the tax consequences under any foreign, state or local tax law or under any federal tax laws other than those pertaining to the income tax. We are furnishing this opinion to you solely in connection with the Mergers, and this opinion is not to be relied upon by any other person or for any other purpose.

Very truly yours,

/s/ Wachtell, Lipton, Rosen & Katz

FULBRIGHT & JAWORSKI L.L.P.
 A Registered Limited Liability Partnership
 Fulbright Tower
 1301 McKinney, Suite 5100
 Houston, Texas 77010-3095
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TELEPHONE:(713) 651-5151
 FACSIMILE:(713) 651-5246

July 1, 2005

Kaneb Pipe Line Partners, L.P.
 2435 N. Central Expressway, Suite 700
 Richardson, Texas 75080

Ladies and Gentlemen:

In connection with the proposed merger (the "Merger") contemplated by the Agreement and Plan of Merger, dated as of October 31, 2004 (the "Merger Agreement"), by and among Valero L.P. ("VLI"), Riverwalk Logistic, L.P., Valero GP LLC ("Valero GP"), VLI Sub B LLC, Kaneb Partners Pipe Line Partners, L.P. ("KPP") and Kaneb Pipe Line Company LLC ("Kaneb GP"), you have requested our opinion regarding the U.S. federal income tax consequences of the Merger to KPP and the KPP Unitholders that are described below. Descriptions of the parties and of the Merger and related transactions are set forth in the Merger Agreement and the joint proxy statement/prospectus forming a part of the registration statement on Form S-4 (Reg. No. 333-120726, as amended, the "Registration Statement") filed on January 25, 2005, with the Securities and Exchange Commission (the "SEC") by VLI pursuant to the Securities Act of 1933, as amended (the "Act"). Unless otherwise defined herein, capitalized terms used in this opinion have the meanings assigned to them in the Merger Agreement.

In rendering our opinion set forth below, we have assumed that the transactions related to the Merger or contemplated by the Merger Agreement will be consummated as described in the Registration Statement and solely in accordance with the Merger Agreement, with none of the terms or conditions of the Merger Agreement being amended, waived or modified. Additionally, we have examined and relied upon the accuracy and completeness, both initially and continuing as of the effective time of the Merger (the "Effective Time"), of (i) the statements, facts, information, evaluations, covenants, representations and warranties contained in the Merger Agreement, the Registration Statement, including the joint proxy statement/prospectus that forms a part of the Registration Statement, and such other documents as we have deemed necessary or appropriate as a basis for the opinion set forth below, and (ii) the statements, facts, information, evaluations, covenants, representations and warranties made or provided by, or on behalf of, whether written or oral, KPP and VLI, including factual representations set forth in letters dated the date hereof by Valero GP and Kaneb GP (the "Representation Letters"). We have also assumed that such statements, facts, information, evaluations, covenants, representations and warranties are true, and will continue to be true as of the Effective Time, without regard to any qualification as to knowledge or belief. Any variation or difference in any of the aforementioned statements, facts, information, evaluations, covenants, representations, warranties or assumptions or breach or failure of any of the aforementioned covenants could adversely affect our opinion.

In rendering our opinion set forth below, we have considered applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder (the "Regulations"), pertinent judicial authorities, rulings and other administrative interpretations of the Internal Revenue Service ("IRS") and such other authorities as we have considered relevant, in each case, in effect on the date hereof. It should be noted that such laws, Code, Regulations, judicial authorities,

Kaneb Pipe Line Partners, L.P.
 July 1, 2005
 Page 2

rulings and other administrative interpretations and such other authorities are subject to change at any time and possibly with retroactive effect. A change in any of the authorities upon which our opinion is based could adversely affect our opinion set forth below.

Based upon the foregoing and subject to the limitations, qualifications and assumptions stated herein, we are of the opinion that, except with respect to

cash received in lieu of a fractional VLI Common Unit:

- (i) KPP will not recognize any income or gain as a result of the Merger (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code), and
- (ii) no gain or loss will be recognized by holders of KPP Units as a result of the Merger (other than any gain resulting from any decrease in partnership liabilities pursuant to section 752 of the Code); PROVIDED, that such opinion shall not extend to any KPP Unitholder who acquired KPP Units from KPP in exchange for property other than cash.

Our opinion set forth above is an expression of professional judgment, is not a guarantee of a result and is not binding upon the IRS or any court. Accordingly, no assurance can be given that our opinion set forth above will be sustained by a court if challenged by the IRS.

Except as set forth above, we express no opinion to any party as to the federal, state, local or foreign tax consequences of the Merger or of any transactions related thereto or contemplated by the Merger Agreement or describe in the Registration Statement. We disclaim any undertaking to advise you of any subsequent changes of the facts stated or assumed herein or any subsequent changes in applicable law. This opinion may not be relied upon by anyone else without our prior written consent.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm in the proxy statement/prospectus forming a part of the Registration Statement. In giving this consent, however, we do not hereby admit that we are within the category of persons whose consent is required under section 7 of the Act or the rules and regulations of the SEC issued thereunder.

Very truly yours,

Fulbright & Jaworski L.L.P.