

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 Act of 1934

Date of Report (Date of earliest event reported): August 4, 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
(I.R.S. Employer
Identification No.)

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

78212
(Zip Code)

(210) 370-2000
(Registrant's telephone number, including area code)

TABLE OF CONTENTS

[Item 7. Financial Statements and Exhibits.](#)

[Item 9. Regulation FD Disclosure.](#)

[Signatures](#)

[Index to Exhibits](#)

[Presentation by Valero L.P.](#)

[Table of Contents](#)

Item 7. Financial Statements and Exhibits.

(c) **Exhibit**

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Presentation by Valero L.P. (the "Partnership") in August 2003.

Item 9. Regulation FD Disclosure.

The Partnership is furnishing herewith certain data being presented to analysts and investors in August 2003. 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.

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.

Valero L.P.

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

By: Valero GP, LLC
its general partner

Dated: August 5, 2003

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

Index to Exhibits

Exhibit No.	Description of Exhibit
99.1	Presentation by Valero L.P. (the "Partnership") in August 2003.

Valero LP



*Management Presentation
August 2003*

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 related to this offering, Valero L.P.'s 2002 annual report on Form 10-K and subsequent filings with the Securities and Exchange Commission.

Offering Summary

Expected Gross Proceeds:	\$45 million
Securities Offered:	Approximately 1,000,000 Common Units
Last Price:	\$43.85 (Aug. 1)
Ticker / Exchange:	VLI / NYSE
Most Recent Announced	
Quarterly Distribution:⁽¹⁾	\$0.75 per unit (\$3.00 per unit per year)
Current Equity Yield:	~ 6.8%
Tax Shield:	At least 80% through 2006
Over-allotment Option:	150,000 common units (15%)
Expected Pricing:	August 5, 2003
Use of Proceeds:	Working capital and general partnership purposes, including future acquisitions and expansion capital projects
Underwriter:	Lehman Brothers (Sole-Managed)

⁽¹⁾ Payable August 14, 2003 to holders of record as of August 5, 2003, the record date. Units sold through this offering will be eligible to begin receiving distributions with respect to the third quarter, anticipated to be paid in November 2003.

Management Representatives

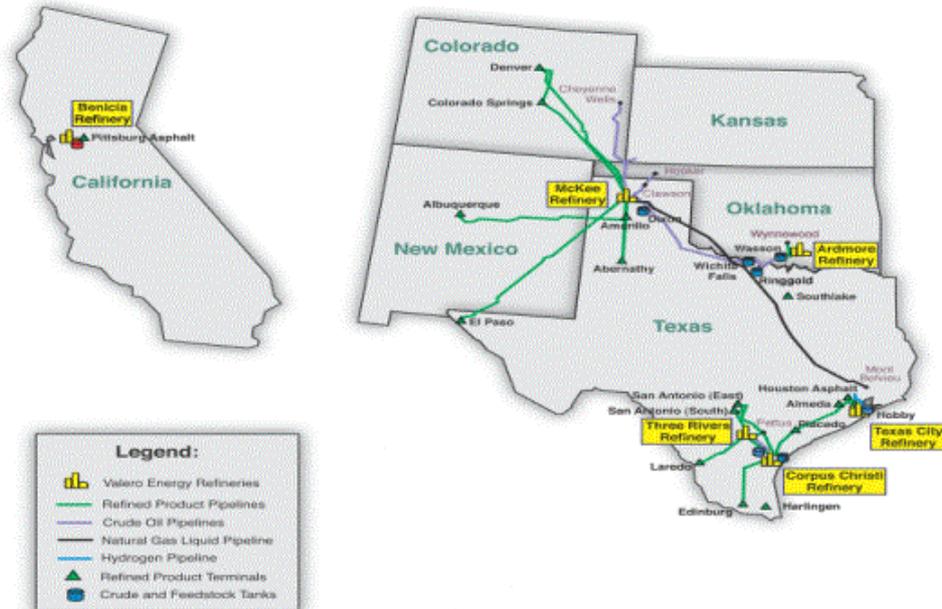
<u>Name</u>	<u>Title</u>
Curt Anastasio	President and Chief Executive Officer
Steve Blank	Senior Vice President and Chief Financial Officer
Eric Fisher	Director, Investor Relations

Key Investment Highlights

- ◆ **Solid track record of value creation for investors since April 2001 IPO**
- ◆ **Distribution growth of 25% since IPO**
 - **Recently announced third increase in distribution since IPO to \$.75 per unit per quarter**
 - **Excellent distribution coverage**
 - **1.4 times based on 2Q03 financial results (before GP split)**
- ◆ **Strongly supportive, financially sound sponsor**
- ◆ **Opportunities to grow distributions through accretive acquisitions and internal investments**
- ◆ **Strong balance sheet**
- ◆ **Significant liquidity (\$175mm of revolver capacity)**

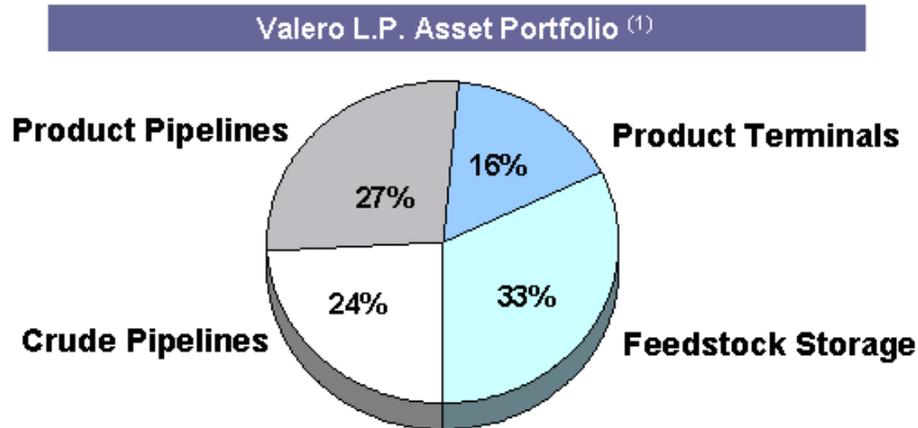
Valero L.P. System Overview

- ◆ Support 7 Valero Energy refineries in three regions - Gulf Coast, West Coast, Mid-Continent



Balanced Portfolio of Assets

- ◆ **Stable, fee-based assets**
 - **No direct exposure to commodity price volatility**



- ◆ **Percentage of total throughputs based on approximately 1.5 million barrels per day for 2Q03**

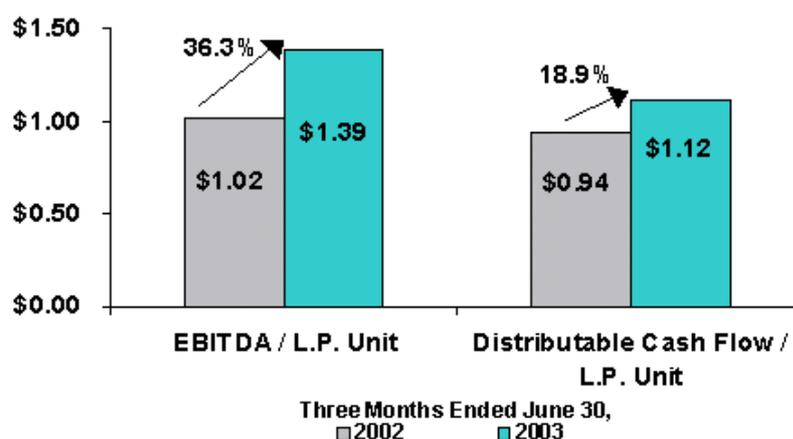
⁽¹⁾ Based on throughput volumes for the three months ended June 30, 2003.

March 2003 Offerings/Transaction Summary

- ◆ **\$350 million of assets acquired from Valero Energy**
 - **Crude and feedstock tanks at Corpus Christi, Texas City and Benicia refineries**
 - **Refined product pipelines and terminals in South Texas**
- ◆ **Significantly increased scale and asset diversification**
 - **Increased the number of refineries served to seven**
 - **Enhanced stability of earnings**
- ◆ **Post-transaction, Valero L.P. de-consolidated from Valero Energy for accounting purposes**
 - **Redeemed 3.8 million common units from Valero Energy**
 - **Reduced Valero Energy's ownership from 74% to 48%, most of which is subordinated**
 - **Allows Valero L.P. and Valero Energy to pursue independent growth strategies**

Value Delivered to Unitholders

- ◆ **March 2003 transactions continued Valero L.P.'s history of accretive growth**
 - **Unitholders have experienced a significant increase in key performance metrics as the partnership has grown**



Please see next page for reconciliation of EBITDA and Distributable Cash Flow to GAAP measures.

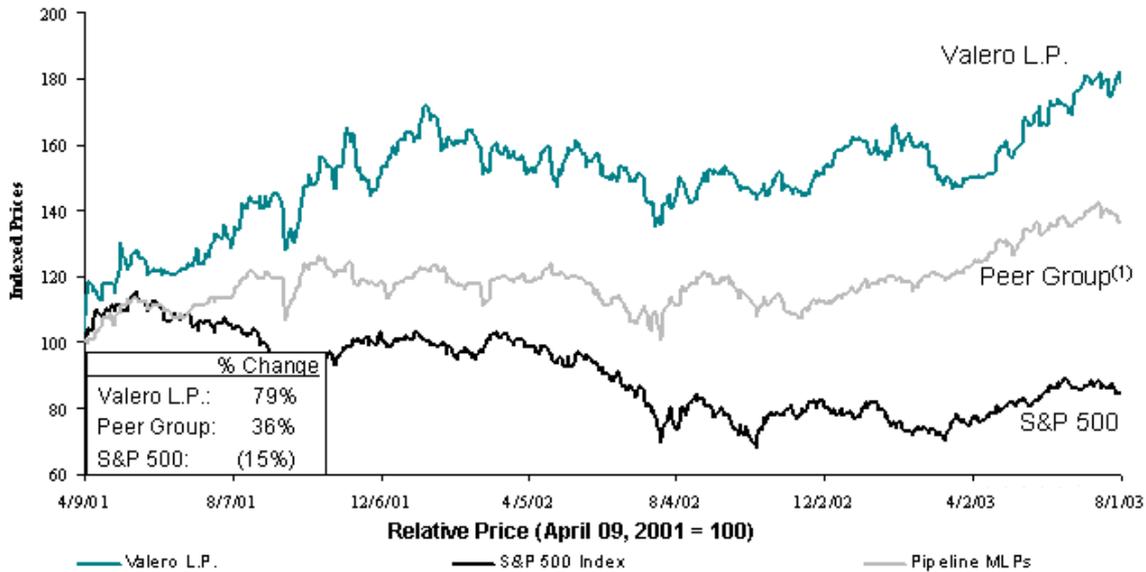
Reconciliation

(\$ in millions)	Three Months Ended June 30,	
	2003	2002
Income before income tax expense	\$18.1	\$14.9
Plus interest expense, net	4.7	0.8
Plus depreciation and amortization	<u>7.3</u>	<u>3.9</u>
EBITDA ⁽¹⁾	\$30.1	\$19.6
Less equity income for Skelly-Belvieu	(0.6)	(0.8)
Less interest expense, net	(4.7)	(0.8)
Less maintenance capital expenditures	(1.5)	(0.7)
Plus distributions from Skelly - Belvieu	<u>0.9</u>	<u>0.8</u>
Distributable cash flow	<u>\$24.2</u>	<u>\$18.1</u>
Weighted average L.P. units outstanding (MM)	21.7	19.3
<i>EBITDA / L.P. Unit</i>	\$1.39	\$1.02
<i>Distributable Cash Flow / L.P. Unit</i>	\$1.12	\$0.94

(1) Management uses EBITDA and distributable cash flow because they are widely accepted financial indicators used by some investors and analysts to analyze and compare partnerships on the basis of operating performance. Neither measure is intended to represent cash flows for the periods shown, nor are they presented as an alternative to operating income or income before tax expense.

Valero L.P. Has Outperformed Peers Since IPO

- ◆ **109% total unitholder return since IPO** (assumes distributions are reinvested)
 - 79% unit price appreciation; 25% increase in distribution / L.P. unit
- ◆ **Unit price up \$7.10 (19.3%) since the March 2003 offering**



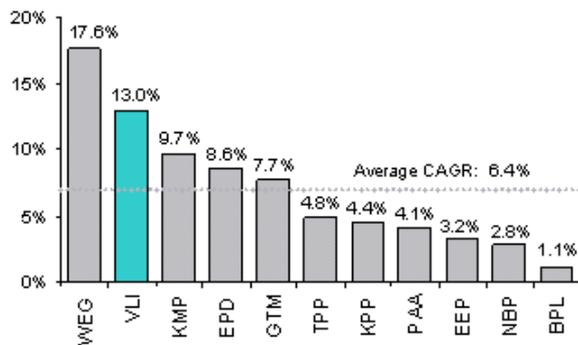
(*) Buckeye Partners, Enbridge Energy Partners, Enterprise Products Partners, GulfTerra, Kinder Pipeline Partners, Kinder Morgan Energy Partners, Northern Border Partners, Pacific Energy Partners, Plains All American Pipeline, Sunoco Logistics Partners, TC Pipeline Partners, TEPCO Partners, Williams Energy Partners



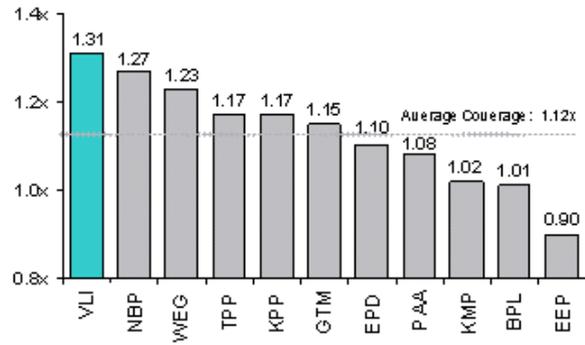
Leading Growth Story with Strong Coverage

- ◆ Valero L.P. has delivered distribution growth over 2x the peer average since its IPO
- ◆ Even with its historical growth in distributions, Valero L.P. maintains the strongest distribution coverage in the group

Distribution CAGR Since Valero LP IPO (1)



Total Distribution Coverage (2)



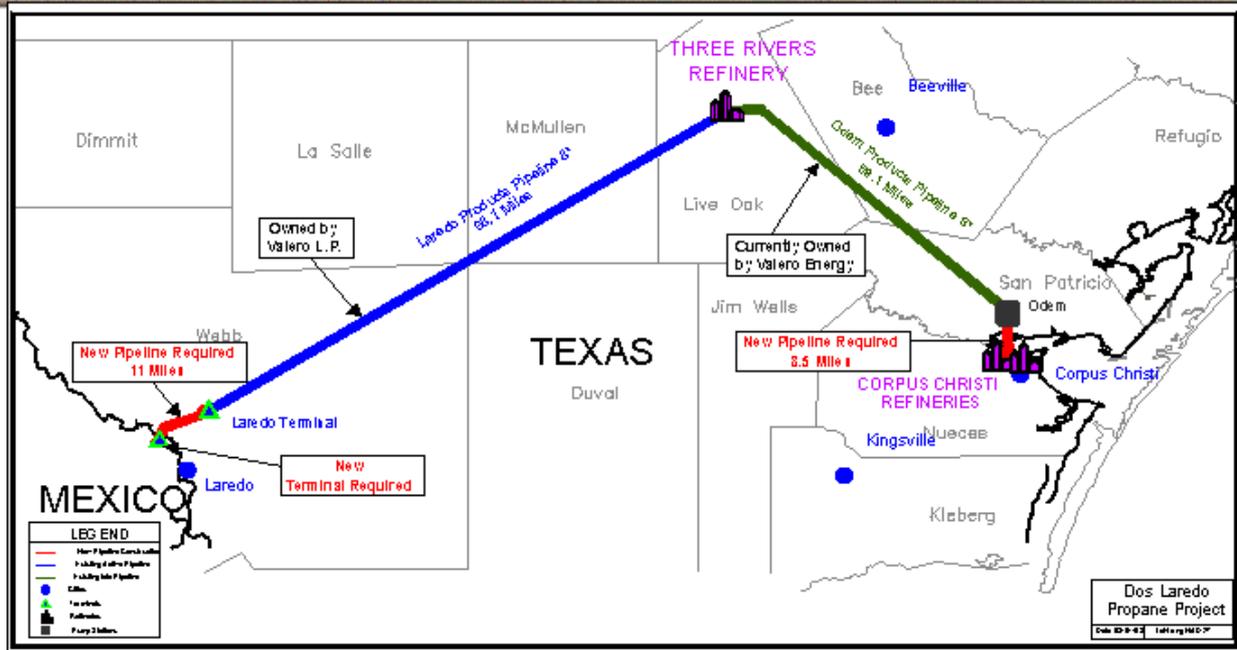
(1) Compound annual growth rates of quarterly distributions to L.P. unit holders since the third quarter distribution of 2001.

(2) Based on Lehman Brothers' equity research estimates as of July 20, 2003. Represents total expected 2003 distributable cash flow divided by total expected 2003 distributions.

Strong Relationship with Valero Energy

- ◆ **Valero L.P. assets key to refinery operations**
 - Long-term handling and throughput agreements in place
 - 100% of feedstocks at 3 refineries
 - 75% of feedstocks and production at 3 refineries
- ◆ **Significant retained interest**
 - 48% ownership (43% of which are subordinated units)
 - GP incentive distribution at around 6%
- ◆ **Valero Energy and third party customers retain all direct commodity risk**
- ◆ **Win/win opportunities to grow both entities' logistics presence**

Dos Laredos Project



- ◆ \$20.4 million expected total investment
- ◆ Valero Energy contract for 5 mbpd of propane to Pemex at a new terminal in Mexico
- ◆ Valero L.P. and Valero Energy currently negotiating throughput agreement; first delivery expected in early 1Q 2004

Opportunities for Further Growth

- ◆ **Competitive cost of capital**
 - In low incentive distribution splits (i.e. total general partner distribution currently around 6% of distributable cash flow)
- ◆ **Financial flexibility**
 - \$175 million available under credit facility
- ◆ **Organic opportunities**
 - Increase utilization rates
 - New projects
- ◆ **External opportunities**
 - Third party acquisitions
 - Valero Energy contributions
- ◆ **Potential distribution growth**
 - Leading MLPs target 10%+ annual growth rate
 - Current distribution coverage exceptionally strong at 1.4x