

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): October 29, 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.)
---	-------------------------------------	--

One Valero Place San Antonio, Texas (Address of principal executive offices)	78212 (Zip Code)
--	---------------------

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

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release dated October 29, 2003.

Item 12. Results of Operations and Financial Condition.

On October 29, 2003, Valero L.P. (the "Partnership") issued a press release announcing financial results for the quarter ended September 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: November 3, 2003

By: /s/Bradley C. Barron

Name: Bradley C. Barron
Title: Corporate Secretary

EXHIBIT INDEX

Number	Exhibit
99.1	Press Release dated October 29, 2003.

VALERO L.P. REPORTS
THIRD QUARTER EARNINGS AND
ANNOUNCES QUARTERLY DISTRIBUTION

SAN ANTONIO, October 29, 2003 -- Valero L.P. (NYSE: VLI) today announced net income applicable to limited partners of \$18.5 million, or \$0.82 per unit, for the third quarter of 2003, compared to \$13.9 million, or \$0.72 per unit, for the third quarter of 2002. For the nine months ended September 30, 2003, net income applicable to limited partners was \$47.4 million, or \$2.23 per unit, compared to \$38.1 million, or \$1.98 per unit, for the nine months ended September 30, 2002. Distributable cash flow before the general partner's interest for the third quarter was \$24.1 million, compared to \$18.0 million for the third quarter of 2002. As of September 30, 2003, the partnership's debt-to-capitalization ratio was 45 percent, which was down from 48.6 percent at the end of the second quarter.

With respect to the quarterly distribution to unitholders for the third quarter of 2003, Valero L.P. today announced that it has declared a distribution of \$0.75 per unit payable November 14, 2003 to holders of record as of November 6, 2003.

The increase in net income was primarily attributable to the operations of the South Texas pipeline system and crude oil storage tank assets acquired from Valero Energy in March 2003 and the Southlake refined products pipeline acquired from Valero Energy effective August 1, 2003.

"Including these transactions, we have completed over \$400 million in acquisitions this year and are pleased with the incremental earnings and cash flow generated from these assets," said Curt Anastasio, Chief Executive Officer of Valero L.P. "Going forward, we remain focused on integrating these recently acquired assets while continuing to pursue further opportunities to deliver strong distribution growth to our unitholders."

A conference call with management is scheduled for 11:00 a.m. EST (10:00 a.m. CST) today, October 29, to discuss the financial and operational results for the quarter. Anyone interested in listening to the presentation can call 800/901-5217, ID 63963091, or visit the partnership's web site at www.valerolp.com.

-More-

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, terminals and storage facilities primarily support eight 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
September 30, 2003 and 2002
(unaudited, in thousands, except unit data, per unit data
and barrel information)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
	----	----	----	----
Statement of Income Data (Note 1):				
Revenues	\$ 51,695	\$ 32,161	\$ 131,053	\$ 88,215
	-----	-----	-----	-----
Costs and expenses:				
Operating expenses	19,445	10,376	47,441	29,125
General and administrative expenses	1,588	1,783	5,102	5,270
Depreciation and amortization	7,135	4,157	18,687	12,388
	-----	-----	-----	-----
Total costs and expenses	28,168	16,316	71,230	46,783
	-----	-----	-----	-----
Operating income	23,527	15,845	59,823	41,432
Equity income from Skelly-Belview Pipeline Company	657	843	1,988	2,365
Interest expense, net (Note 2)	(4,504)	(1,738)	(11,617)	(3,090)
	-----	-----	-----	-----
Income before income tax expense	19,680	14,950	50,194	40,707
Income tax expense (Note 3)	-	-	-	(395)
	-----	-----	-----	-----
Net income	19,680	14,950	50,194	40,312
Net income applicable to general partner including incentive distributions (Note 3)	(1,138)	(1,064)	(2,828)	(2,208)
Net income applicable to limited partners	\$ 18,542	\$ 13,886	\$ 47,366	\$ 38,104
Net income per unit applicable to limited partners (Note 4)	\$ 0.82	\$ 0.72	\$ 2.23	\$ 1.98
Weighted average number of limited partnership units outstanding (Note 5)	22,477,019	19,253,894	21,256,196	19,249,921
Earnings before interest, taxes and depreciation and amortization (EBITDA, Note 6)	\$ 31,319	\$ 20,845	\$ 80,498	\$ 56,185
Distributable cash flow (Note 6)	24,089	18,003	63,813	50,561
Operating Data (barrels/day):				
Crude oil pipeline throughput	385,181	368,988	355,636	347,518
Refined product pipeline throughput	432,885	310,604	375,945	292,551
Refined product terminal throughput	236,440	177,279	215,925	177,675
Crude oil tank throughput	433,921	-	330,192	-

September 30,
September 30,
June 30,
December 31,
2003 2002
2003 2002 ---

--- Balance
Sheet Data:
Long-term
debt,
including
current
portion (Note
\$ 358,095 \$
109,769 \$
365,231 \$
109,658 2)
Partners'
equity (Note
5) 437,168
292,973
385,636
293,895 Debt-
to-
capitalization
ratio 45.0%
27.3% 48.6%
27.2% See
accompanying
notes on the
following
page.

Financial
Information -
Continued
September 30,
2003 and 2002
Notes: 1.
Effective
September 4,
2003, Valero
L.P. acquired
a refined
product
terminal in
Paulsboro,
New Jersey
from
ExxonMobil
for
\$14,000,000.
Effective
August 1,
2003, Valero
L.P. acquired
from Valero
Energy
Corporation
(Valero
Energy) the
Southlake
refined
product
pipeline,
which
transports
refined
products from
Valero
Energy's
McKee
refinery to
the Dallas-
Forth Worth
area, for
\$30,000,000.
Effective
March 18,
2003, Valero
L.P. and
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
storage 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
September 30,
2003,
includes
\$908,000 of
operating
income
related to
the Southlake
refined
product
pipeline and
Paulsboro
refined
product
terminal,
\$7,336,000 of
operating
income
related to
the storage
tank assets
and the South
Texas
Pipelines and
Terminals and
\$260,000 of
operating
income
related to
the Telfer
asphalt
terminal. The
statement of
income for
the nine
months ended
September 30,
2003,
includes
\$908,000 of
operating
income
related to
the Southlake
refined
product
pipeline and
Paulsboro
refined
product
terminal,
\$17,709,000
of operating
income
related to
the storage
tank assets
and the South
Texas
Pipelines and
Terminals for
the period
from March
19, 2003
through
September 30,
2003, and
\$1,171,000 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 nine months ended September 30, 2003 as compared to the three months and nine months ended September 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 on July 10, 2002. The proceeds from the 6.875% senior note offering were used to repay borrowings under the variable-rate revolving credit facility. The proceeds from 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 nine months ended September 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 nine
months ended
September 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
each of the
quarters of
2003 was
impacted by
the common
unit
offerings
completed in
2003
discussed in
Note 5. As a
result, the
net income
per unit
applicable to
limited
partners for
the year-to-
date period
does not
equal the sum
of each
quarterly per
unit amount.

5. On August
11, 2003,
Valero L.P.
closed on a
public
offering of
1,236,250
common units
for total
proceeds of
\$48,239,000,
net of
underwriter's
discount. 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
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 a
the
overallotment
option
related to
the March
2003 public
offering 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 45.8%,
including
Riverwalk
Logistics,
L.P.'s 2%
general
partner
interest.

Valero L.P.
Consolidated
Financial
Information -
Continued
September 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 Nine Months Ended September 30, September 30, 2003 2002	2003	2002	---
Income before income tax expense \$	19,680	\$ 14,950	\$ 50,194
Plus interest expense, net	4,504	1,738	11,617
Plus depreciation and amortization	7,135	4,157	18,687
EBITDA	31,319	20,845	80,498
Less equity income from Skelly-Belview Pipeline Company (657) (843)	(1,988)	(2,365)	Less interest expense, net (4,504) (1,738) (11,617)
(3,090)	Less reliability capital expenditures (2,664) (1,304) (5,302)	(2,834)	Plus distributions from Skelly-Belview Pipeline Company 595
1,043	2,222	2,665	-----
Distributable cash flow \$	24,089	\$ 18,003	\$ 63,813
	50,561	=====	=====
	=====	=====	=====

