

VALERO L P
Form 8-K
August 08, 2005

**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): **August 8, 2005**

VALERO L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

One Valero Way

San Antonio, Texas

(Address of principal executive offices)

Registrant's telephone number, including area code: **(210) 345-2000**

1-16417

(Commission
File Number)

74-2956831

(IRS Employer
Identification No.)

78249

(Zip Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On August 8, 2005, Valero L.P., Valero Logistics Operations, L.P., a wholly owned subsidiary of Valero L.P., Riverwalk Logistics, L.P., Valero L.P.'s general partner, and Valero GP, LLC, Riverwalk Logistics, L.P.'s general partner and a wholly owned subsidiary of Valero Energy Corporation (Valero Energy), entered into a Second Amended and Restated Services Agreement (the Second Amended Agreement) with Diamond Shamrock Refining and Marketing Company and Valero Corporate Services Company, both wholly owned subsidiaries of Valero Energy.

The Second Amended Agreement amends and restates the Amended and Restated Services Agreement dated April 1, 2004 (the First Amended Agreement) to reflect the significant changes that have occurred in the business and operations of Valero L.P. due to the completion of its merger with Kaneb Pipe Line Partners, L.P. and Kaneb Services, LLC.

The Second Amended Agreement amends the annual service fee to be \$13.8 million for the first year from July 1, 2005 to June 30, 2006, \$14.8 million for the second year and \$15.8 million for each of the three years thereafter. The annual service fee will be adjusted to account for Valero Energy's annual merit increase and may also be adjusted for changed service levels due to Valero L.P.'s acquisition, sale or construction of assets. Also pursuant to the Second Amended Agreement, Valero L.P. has agreed to perform certain services for Valero Energy and its affiliates, including control room services, terminal operations oversight, mapping support and integrity management program planning, in exchange for an annual fee of approximately \$1.2 million.

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: August 8, 2005

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