

VALERO L P  
Form 4  
January 29, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**BLANK STEVEN A**

(Last) (First) (Middle)

P.O. BOX 696000

(Street)

SAN ANTONIO, TX 78269-6000

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**VALERO L P [VLI]**

3. Date of Earliest Transaction (Month/Day/Year)  
**01/25/2007**

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Senior VP, CFO and Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
|                                 |                                      |                                                    |                                | (A) or (D) Price                                                  |                                                                                               |                                                          |                                   |
| Common Units                    | 01/25/2007                           |                                                    | M                              | 510 A \$ 0                                                        | 20,704                                                                                        | D                                                        |                                   |
| Common Units                    | 01/25/2007                           |                                                    | F                              | 217 D \$ 58.01                                                    | 20,487                                                                                        | D                                                        |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| Performance Units                          | (1)                                                    | 01/25/2007                           |                                                    | A                              | 1,670                                                                                   | (1) 01/25/2010                                           | common units                                                  | 1,670                      |
| Performance Units                          | (2)                                                    | 01/25/2007                           |                                                    | M                              | 510                                                                                     | 01/25/2007 01/25/2009                                    | common units                                                  | 510                        |

## Reporting Owners

| Reporting Owner Name / Address                                  | Relationships |           |                              |       |
|-----------------------------------------------------------------|---------------|-----------|------------------------------|-------|
|                                                                 | Director      | 10% Owner | Officer                      | Other |
| BLANK STEVEN A<br>P.O. BOX 696000<br>SAN ANTONIO, TX 78269-6000 |               |           | Senior VP, CFO and Treasurer |       |

## Signatures

Amy L. Perry, as Attorney-in-Fact for Steven A. Blank  
Date: 01/29/2007

Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Award of performance units. The performance units vest annually in one-third increments beginning on the first anniversary of the grant date and are payable in common units in amounts ranging from zero to 200% of the performance units.

(2) Settlement of previously awarded performance units at 100% of base units.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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