

Barron Bradley C
Form 4
January 29, 2007

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Barron Bradley C

(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
X Officer (give title ____ Other (specify
below) below)

VP, Gen Counsel and Secretary

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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)
Common Units	01/25/2007		M	180	A \$ 0	2,148	D
Common Units	01/25/2007		F	76	D \$ 58.01	2,072	D

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

**Persons who respond to the collection of
information contained in this form are not
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(9-02)

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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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Units	(1)	01/25/2007		A	680	(1)	01/25/2010	common units	680
Performance Units	(2)	01/25/2007		M	180	01/25/2007	01/25/2009	common units	180

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Barron Bradley C P.O. BOX 696000 SAN ANTONIO, TX 78269-6000	VP, Gen Counsel and Secretary

Signatures

Amy L. Perry, as Attorney-in-Fact for Bradley C. Barron 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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