

VALERO ENERGY PARTNERS LP
Form SC 13D
December 20, 2013

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D

(Rule 13d-101)

Under the Securities Exchange Act of 1934

Valero Energy Partners LP

(Name of Issuer)

Common Units Representing Limited Partner Interests

(Title of Class of Securities)

91914J 102

(CUSIP Number)

Jay D. Browning

One Valero Way

San Antonio, Texas 78249

Telephone: (210) 345-2000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 16, 2013

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 91914J 102

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 Valero Energy Corporation
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO (please see Item 3)
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER*

SHARES

BENEFICIALLY 40,329,978 common units
8 SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9 SOLE DISPOSITIVE POWER*

PERSON

WITH 40,329,978 common units
10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON*

40,329,978 common units
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11**

Approximately 70.0%
14 TYPE OF REPORTING PERSON

HC; CO

* Includes 11,539,989 Common Units and 28,789,989 subordinated units (Subordinated Units) representing limited partner interests, which may be converted into common units on a one-for-one basis upon the termination of the subordination period under certain circumstances as set forth in the First Amended and Restated Agreement of Limited Partnership of Valero Energy Partners LP (the Partnership), which is incorporated herein by reference to Exhibit 3.1 to the Partnership s current report on Form 8-K filed with the Commission on December 20, 2013.

** Based on the number of Common Units (28,789,989) and Subordinated Units (28,789,989) issued and outstanding as of December 16, 2013, as reported to the Reporting Persons by the Partnership.

CUSIP No. 91914J 102

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 Premcor USA Inc.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO (please see Item 3)
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER*

SHARES

BENEFICIALLY 33,095,670 common units
8 SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9 SOLE DISPOSITIVE POWER*

PERSON

WITH 33,095,670 common units
10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON*

33,095,670 common units
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11**

Approximately 57.5%
14 TYPE OF REPORTING PERSON

HC; CO

* Includes 9,469,970 Common Units and 23,625,700 Subordinated Units, which may be converted into common units on a one-for-one basis upon the termination of the subordination period under certain circumstances as set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership, which is incorporated herein by reference to Exhibit 3.1 to the Partnership's current report on Form 8-K filed with the Commission on December 20, 2013.

** Based on the number of Common Units (28,789,989) and Subordinated Units (28,789,989) issued and outstanding as of December 16, 2013, as reported to the Reporting Persons by the Partnership.

CUSIP No. 91914J 102

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 Valero Refining and Marketing Company
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO (please see Item 3)
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER*

SHARES

BENEFICIALLY 7,234,308 common units
8 SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9 SOLE DISPOSITIVE POWER*

PERSON

WITH 7,234,308 common units
10 SHARED DISPOSITIVE POWER

0
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON*

7,234,308 common units
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11**

Approximately 7.2%
14 TYPE OF REPORTING PERSON

HC; CO

* Includes 2,070,019 Common Units and 5,164,289 Subordinated Units, which may be converted into common units on a one-for-one basis upon the termination of the subordination period under certain circumstances as set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership, which is incorporated herein by reference to Exhibit 3.1 to the Partnership's current report on Form 8-K filed with the Commission on December 20, 2013.

** Based on the number of Common Units (28,789,989) and Subordinated Units (28,789,989) issued and outstanding as of December 16, 2013, as reported to the Reporting Persons by the Partnership.

CUSIP No. 91914J 102

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Valero Terminating and Distribution Company
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO (please see Item 3)
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER*

SHARES

BENEFICIALLY 7,234,308 common units
8 SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9 SOLE DISPOSITIVE POWER*

PERSON

WITH 7,234,308 common units
10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON*

7,234,308 common units

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11**

Approximately 12.6%

14 TYPE OF REPORTING PERSON

CO

* Includes 2,070,019 Common Units and 5,164,289 Subordinated Units, which may be converted into common units on a one-for-one basis upon the termination of the subordination period under certain circumstances as set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership, which is incorporated herein by reference to Exhibit 3.1 to the Partnership's current report on Form 8-K filed with the Commission on December 20, 2013.

** Based on the number of Common Units (28,789,989) and Subordinated Units (28,789,989) issued and outstanding as of December 16, 2013, as reported to the Reporting Persons by the Partnership.

CUSIP No. 91914J 102

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 The Premcor Pipeline Co.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO (please see Item 3)
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER*

SHARES

BENEFICIALLY 27,032,272 common units
8 SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9 SOLE DISPOSITIVE POWER*

PERSON

WITH 27,032,272 common units
10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON*

27,032,272 common units
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11**

Approximately 47.0%
14 TYPE OF REPORTING PERSON

CO

* Includes both 7,734,994 Common Units and 19,297,278 Subordinated Units representing limited partner interests in the Partnership, which may be converted into common units on a one-for-one basis upon the termination of the subordination period under certain circumstances as set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership, which is incorporated herein by reference to Exhibit 3.1 to the Partnership's current report on Form 8-K filed with the Commission on December 20, 2013.

** Based on the number of Common Units (28,789,989) and Subordinated Units (28,789,989) issued and outstanding as of December 16, 2013, as reported to the Reporting Persons by the Partnership.

CUSIP No. 91914J 102

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

The Premcor Refining Group Inc.
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO (please see Item 3)
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER*

SHARES

BENEFICIALLY 2,514,517 common units
8 SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9 SOLE DISPOSITIVE POWER*

PERSON

WITH 2,514,517 common units
10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON*

2,514,517 common units
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11**

Approximately 4.4%
14 TYPE OF REPORTING PERSON

CO

* Includes both 719,502 Common Units and 1,795,015 Subordinated Units, which may be converted into common units on a one-for-one basis upon the termination of the subordination period under certain circumstances as set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership, which is incorporated herein by reference to Exhibit 3.1 to the Partnership's current report on Form 8-K filed with the Commission on December 20, 2013.

** Based on the number of Common Units (28,789,989) and Subordinated Units (28,789,989) issued and outstanding as of December 16, 2013, as reported to the Reporting Persons by the Partnership.

CUSIP No. 91914J 102

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 Valero Refining Company-Tennessee, L.L.C.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 OO (please see Item 3)
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER*

SHARES

BENEFICIALLY 3,548,881 common units
8 SHARED VOTING POWER

OWNED BY

EACH

0

REPORTING 9 SOLE DISPOSITIVE POWER*

PERSON

WITH 3,548,881 common units
10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON*

12 3,548,881 common units
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 ..
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11**

14 Approximately 6.2%
TYPE OF REPORTING PERSON

OO - limited liability company

* Includes both 1,015,474 Common Units and 2,533,407 Subordinated Units representing limited partner interests in the Partnership, which may be converted into common units on a one-for-one basis upon the termination of the subordination period under certain circumstances as set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership, which is incorporated herein by reference to Exhibit 3.1 to the Partnership's current report on Form 8-K filed with the Commission on December 20, 2013.

** Based on the number of Common Units (28,789,989) and Subordinated Units (28,789,989) issued and outstanding as of December 16, 2013, as reported to the Reporting Persons by the Partnership.

Item 1. Security and Issuer

This statement on Schedule 13D (Schedule 13D) relates to common units (Common Units) representing limited partner interests of Valero Energy Partners LP, a Delaware limited partnership (the Partnership), whose principal executive offices are located at One Valero Way, San Antonio, Texas 78249.

Upon the termination of the subordination period as set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership (the Partnership Agreement), the subordinated units (Subordinated Units) representing limited partner interests in the Partnership held by the Reporting Persons (as defined below) are convertible into Common Units on a one-for-one basis.

Item 2. Identity and Background

(a) This Schedule 13D is jointly filed pursuant to a Joint Filing Agreement attached hereto as Exhibit F by and among (i) Valero Energy Corporation (Valero), (ii) Premcor USA Inc. (Premcor USA), (iii) Valero Refining and Marketing Company (VRMC), (iv) Valero Terminaling and Distribution Company (VTDC), (v) The Premcor Pipeline Co. (Premcor Pipeline), (vi) The Premcor Refining Group Inc. (Premcor Refining) and (vii) Valero Refining Company-Tennessee, L.L.C. (VRCT and, together with Valero, Premcor USA, VRMC, VTDC, Premcor Pipeline and Premcor Refining, the Reporting Persons).

(b) The business address of the Reporting Persons and the Covered Individuals (as defined below) is One Valero Way, San Antonio, Texas 78249.

(c) The principal business of the Reporting Persons is the ownership and operation, directly or indirectly, of refineries and other assets supporting refining operations, and the investment in interests in the Partnership.

Valero is a publicly traded Delaware corporation. The name and present principal occupation of each director and executive officer of Valero (the Valero Covered Individuals) are set forth on Exhibit A to this Schedule 13D, which is incorporated herein by reference. Valero is, directly or indirectly, the sole member or stockholder of each of the other Reporting Persons.

Premcor USA is a Delaware corporation and wholly owned subsidiary of Valero. The name and present principal occupation of each director and executive officer of Premcor USA (the Premcor USA Covered Individuals) are set forth on Exhibit A to this Schedule 13D, which is incorporated herein by reference. Premcor USA is, directly or indirectly, the sole member or stockholder of each of Premcor Pipeline, Premcor Refining and VRCT.

VRMC is a Delaware corporation and wholly owned subsidiary of Valero. The name and present principal occupation of each director and executive officer of VRMC (the VRMC Covered Individuals) are set forth on Exhibit A to this Schedule 13D, which is incorporated herein by reference. VRMC is the sole stockholder of VTDC.

VTDC is a Delaware corporation and wholly owned subsidiary of VRMC. The name and present principal occupation of each director and executive officer of VTDC (the VTDC Covered Individuals) are set forth on Exhibit A to this Schedule 13D, which is incorporated herein by reference. VTDC is the sole member of Valero Energy Partners GP LLC, a Delaware limited liability company and the general partner of the Partnership (the General Partner).

Premcor Pipeline is a Delaware corporation and wholly owned subsidiary of Premcor USA. The name and present principal occupation of each director and executive officer of Premcor Pipeline (the Premcor Pipeline Covered Individuals) are set forth on Exhibit A to this Schedule 13D, which is incorporated herein by reference.

Premcor Refining is a Delaware corporation and wholly owned subsidiary of Premcor USA. The name and present principal occupation of each director and executive officer of Premcor Refining (the Premcor Refining Covered Individuals) are set forth on Exhibit A to this Schedule 13D, which is incorporated herein by reference. Premcor Refining is the sole member of VRCT.

VRCT is a Delaware limited liability company and wholly owned subsidiary of Premcor Refining. The name and present principal occupation of each executive officer of VRCT (the VRCT Covered Individuals) are set forth on Exhibit A to this Schedule 13D, which is incorporated herein by reference.

The Valero Covered Individuals, Premcor USA Covered Individuals, VRMC Covered Individuals, VTDC Covered Individuals, Premcor Pipeline Covered Individuals, Premcor Refining Covered Individuals and VRCT Covered Individuals are collectively referred to as the Covered Individuals.

(d) (e) During the past five years, none of the Reporting Persons has and, to the Reporting Persons knowledge, none of the Covered Individuals has (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) nor (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of which was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Not applicable.

Item 3. Source and Amount of Funds or Other Consideration

The Partnership was formed on July 24, 2013 as a Delaware limited partnership to own, operate, develop and acquire crude oil and refined petroleum products pipelines, terminals and other transportation and logistics assets. Upon the formation of the Partnership, VTDC, as the organizational limited partner, and the General Partner, contributed \$980 and \$20, respectively, to the Partnership.

At the closing of the Partnership's initial public offering on December 16, 2013 (the Offering), in exchange for the contribution of certain assets to the Partnership, the Partnership issued (a) to VTDC, 2,070,019 Common Units and 5,164,289 Subordinated Units representing an aggregate 12.3% limited partner interest in the Partnership as of such time, (b) to Premcor Pipeline, 7,734,994 Common Units and 19,297,278 Subordinated Units representing an aggregate 46.0% limited partner interest in the Partnership as of such time, (c) to Premcor Refining, 719,502 Common Units and 1,795,015 Subordinated Units representing an aggregate 4.3% limited partner interest in the Partnership as of such time, (d) to VRCT, 1,015,474 Common Units and 2,533,407 Subordinated Units representing an aggregate 6.0% limited partner interest in the Partnership as of such time and (e) to the General Partner, 1,175,102 General Partner Units (as defined in the Partnership Agreement) representing a 2.0% general partner interest in the Partnership as of such time, pursuant to a Contribution, Conveyance and Assumption Agreement dated December 16, 2013, among the Partnership, the General Partner, Valero Energy Partners Operating Co. LLC (OLLC), Valero, VTDC, Premcor Pipeline, Premcor Refining and VRCT.

On December 16, 2013, certain Covered Individuals acquired with personal funds, beneficial ownership of Common Units through the Partnership's directed unit program at the initial public offering price of \$23.00 per unit, as set forth in Item 5(a).

Item 4. Purpose of Transaction

The Reporting Persons acquired the Common Units and Subordinated Units reported herein solely for investment purposes. The Reporting Persons may make additional purchases of Common Units either in the open market or in private transactions depending on the Reporting Person's business, prospects and financial condition, the market for the Common Units, general economic conditions, stock market conditions and other future developments.

The following describes plans or proposals that the Reporting Persons may have with respect to the matters set forth in Item 4(a)-(j) of Schedule 13D:

(a) The Subordinated Units owned of record by the Reporting Persons are convertible into Common Units on a one-for-one basis upon the termination of the subordination period as set forth in the Partnership Agreement. The General Partner may grant restricted units, phantom units, distribution equivalent rights, unit options, unit appreciation rights, profits interest units and other unit-based awards and unit awards to officers, directors and employees of the General Partner and its affiliates pursuant to the Valero Energy Partners LP 2013 Incentive Compensation Plan (the ICP). The General Partner may acquire Common Units for issuance pursuant to the ICP on the open market, directly from the Partnership, from any other person or any combination of the foregoing.

(b) None.

(c) None.

(d) The General Partner has sole responsibility for conducting the Partnership's business and managing its operations and is ultimately controlled by Valero. Some of Valero's executive officers and directors will also serve as executive officers or directors of the General Partner. Neither the General Partner nor its board of directors will be elected by the Partnership's unitholders. Through its ownership of 100% of the capital stock of VTDC, Valero will have the ability to elect all the members of the board of directors of the General Partner.

(e) Subject to the restrictions contained in the Partnership Agreement, Valero, as the indirect owner of the General Partner of the Partnership, exercises control over the amount of distributions declared by the Partnership and may cause the Partnership to change its capitalization, through the issuance of debt or equity securities, from time to time in the future. Valero has no current intention of changing the present capitalization or distributions of the Partnership.

(f) None.

(g) None.

(h) None.

(i) None.

(j) Except as described in this Item 4, the Reporting Persons do not have, as of the date of this Schedule 13D, any other plans or proposals that relate to or would result in any of the actions or events specified in clauses (a) through (i) of Item 4 of Schedule 13D. The Reporting Persons may change their plans or proposals in the future. In determining from time to time whether to sell the Common Units reported as beneficially owned in this Schedule 13D (and in what amounts) or to retain such securities, the Reporting Persons will take into consideration such factors as they deem relevant, including the business and prospects of the Partnership, anticipated future developments concerning the Partnership, existing and anticipated market conditions from time to time, general economic conditions, regulatory matters, and other opportunities available to the Reporting Persons. The Reporting Persons reserve the right to acquire additional securities of the Partnership in the open market, in privately negotiated transactions (which may be with the Partnership or with third parties) or otherwise, to dispose of all or a portion of their holdings of securities of the Partnership or to change their intention with respect to any or all of the matters referred to in this Item 4.

Item 5. Interest in Securities of the Issuer

(a) (1) Valero does not directly own any Common Units or Subordinated Units; however, as the sole member or stockholder, directly or indirectly, of VTDC, Premcor Pipeline, VRCT and Premcor Refining, it may be deemed to beneficially own (x) 11,539,989 Common Units held of record by VTDC, Premcor Pipeline, Premcor Refining and VRCT, which represents approximately 40.1% of the outstanding Common Units of the Partnership and (y) 28,789,989 Subordinated Units held of record by VTDC, Premcor Pipeline, Premcor Refining and VRCT, which represent all of the outstanding Subordinated Units.

(2) Premcor USA does not directly own any Common Units or Subordinated Units; however, as the sole member or stockholder, directly or indirectly, of Premcor Pipeline, Premcor Refining and VRCT, it may be deemed to beneficially own (x) 9,469,970 Common Units held of record by Premcor Pipeline, Premcor Refining and VRCT, which represents approximately 32.9% of the outstanding Common Units and (y) 23,625,700 Subordinated Units held of record by Premcor Pipeline, Premcor Refining and VRCT, which represents approximately 82.1% of the

outstanding Subordinated Units.

(3) VRMC does not directly own any Common Units or Subordinated Units; however, as the sole stockholder of VTDC, it may be deemed to beneficially own (x) 2,070,019 Common Units held of record by VTDC, which represents approximately 7.2% of the outstanding Common Units, and (y) 5,164,289 Subordinated Units held of record by VTDC, which represents approximately 17.9% of the outstanding Subordinated Units.

(4) VTDC is the record and beneficial owner of (x) 2,070,019 Common Units, which represents 7.2% of the outstanding Common Units, and (y) 5,164,289 Subordinated Units, which represents 17.9% of the outstanding Subordinated Units.

(5) Premcor Pipeline is the record and beneficial owner of (x) 7,734,994 Common Units, which represents 26.9% of the outstanding Common Units, and (y) 19,297,278 Subordinated Units, which represents 67.0% of the outstanding Subordinated Units.

(6) Premcor Refining is the record and beneficial owner of (x) 719,502 Common Units, which represents 2.5% of the outstanding Common Units, and (y) 1,795,015 Subordinated Units, which represents 6.2% of the outstanding Subordinated Units.

(7) VRCT is the record and beneficial owner of (x) 1,015,474 Common Units, which represents 3.5% of the outstanding Common Units, and (y) 2,533,407 Subordinated Units, which represents 8.8% of the outstanding Subordinated Units.

(8) I