

VALERO GP HOLDINGS LLC
 Form 4
 December 22, 2006

FORM 4

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

OMB APPROVAL

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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 *
 VALERO ENERGY CORP/TX

2. Issuer Name and Ticker or Trading Symbol
 VALERO GP HOLDINGS LLC
 [VEH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/22/2006

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

ONE VALERO WAY

(Street)

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

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

SAN ANTONIO, TX 78249

(City) (State) (Zip)

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 Indirect Ownership (Instr. 4)	
			Code	V Amount or (D) Price				
Units representing limited liability company interests	12/22/2006		S	20,550,000 (1) (2) (3) (4)	\$ 21.62	4,700,000	I	See footnotes. (1) (2) (3) (4)
Units representing limited liability company interests	12/22/2006		S	4,700,000 (1) (2) (3) (4)	\$ 21.62	0	I	See footnotes. (1) (2) (3) (4)

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

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(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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VALERO ENERGY CORP/TX ONE VALERO WAY SAN ANTONIO, TX 78249		X		
Diamond Shamrock Refining & Marketing CO ONE VALERO WAY SAN ANTONIO, TX 78249		X		

Signatures

Jay D. Browning, Senior Vice President and Secretary of Valero Energy Corporation	12/22/2006
**Signature of Reporting Person	Date
Jay D. Browning, Senior Vice President and Secretary of Diamond Shamrock Refining and Marketing Company	12/22/2006
**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) As of December 22, 2006, Valero Energy Corporation directly or indirectly owned 100% of each of Diamond Shamrock Refining and Marketing Company ("DSRMC") and Sigmor Corporation ("Sigmor").

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- At the closing of an underwritten public offering of Units pursuant to the registration statement on Form S-1 (File No. 333-1338810) (the
- (2) "Offering") on December 22, 2006, the underwriters purchased an aggregate of 20,550,000 Units: 17,226,636 Units from DSRMC and 3,323,364 Units of Sigmor.
 - (3) Concurrently with the closing of the Offering on December 22, 2006, William E. Greehey purchased 4,700,000 unregistered Units from DSRMC (the "Private Sale").
 - (4) After the closing of the Offering and the concurrent Private Sale, DSRMC and Valero Energy Corporation no longer own any of the outstanding Units of Valero GP Holdings, LLC and, therefore, are no longer subject to Section 16.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.