

VALERO ENERGY CORP/TX
Form 8-K
March 12, 2004

**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

March 10, 2004
(Date of Earliest Event Reported)

VALERO ENERGY CORPORATION
(Exact name of registrant as specified in its
charter)

Delaware
(State or other
Jurisdiction
of incorporation)

1-13175
(Commission File Number)

74-1828067
(IRS Employer
Identification
Number)

One Valero Place
San Antonio, Texas 78212
(Address of principal executive offices,
including Zip Code)
(210) 370-2000
(Registrant's telephone number, including area
code)

Item 4. Changes in Registrant's Certifying Accountant.

The Audit Committee of the Board of Directors determined on March 10, 2004 to appoint KPMG LLP (KPMG) to serve as the Company's independent auditors for the fiscal year ending December 31, 2004. Ernst & Young LLP (Ernst & Young) served as the Company's independent auditors for the fiscal years ending December 31, 2003 and 2002. On March 10, 2004, the Audit Committee approved the dismissal of Ernst & Young as the Company's independent auditors following the fiscal year 2003 audit. These actions were also approved by the Board of Directors on March 11, 2004. The appointment of KPMG is being presented to Valero's stockholders for ratification at the Company's 2004 Annual Meeting of Stockholders to be held on April 29, 2004.

Ernst & Young's reports on the Company's consolidated financial statements for each of the years ended December 31, 2003 and 2002 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. During the years ended December 31, 2003 and 2002 and through the date hereof, there were no disagreements with Ernst & Young on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of Ernst & Young, would have caused Ernst & Young to make reference to the subject matter of the disagreement(s) in connection with Ernst & Young's report on the Company's consolidated financial statements for such years; and there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

The Company provided Ernst & Young with a copy of the foregoing disclosures. Attached as Exhibit 16 is a copy of Ernst & Young's letter, dated March 12, 2004, stating its agreement with such statements.

During the years ended December 31, 2003 and 2002 and through the date hereof, the Company did not consult KPMG with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, or any other matters or reportable events as set forth in Items 304(a)(2)(i) and (ii) of

Regulation S-K.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

- (a) - Not applicable.
- (b) - Not applicable
- (c) - Exhibits.

Exhibit 16 Letter from Ernst & Young LLP to the Securities
and Exchange Commission dated March 12, 2004 Filed with this document

SIGNATURES

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 ENERGY CORPORATION

Date: March 12, 2004

By: /s/ Jay D. Browning
Name: Jay D. Browning
Title: Vice President and
Corporate Secretary

EXHIBIT INDEX

Exhibit Number	Description
16	Letter from Ernst & Young LLP to the Securities and Exchange Commission dated March 12, 2004
