

VALERO ENERGY CORP/TX

Form 10-Q

November 05, 2013

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-13175

VALERO ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

One Valero Way

San Antonio, Texas

(Address of principal executive offices)

78249

(Zip Code)

(210) 345-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's only class of common stock, \$0.01 par value, outstanding as of October 31, 2013 was 539,562,259.



VALERO ENERGY CORPORATION AND SUBSIDIARIES  
TABLE OF CONTENTS

	Page
<u>PART I – FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets as of September 30, 2013 and December 31, 2012</u>	<u>1</u>
<u>Consolidated Statements of Income for</u> <u>the Three and Nine Months Ended September 30, 2013 and 2012</u>	<u>2</u>
<u>Consolidated Statements of Comprehensive Income for</u> <u>the Three and Nine Months Ended September 30, 2013 and 2012</u>	<u>3</u>
<u>Consolidated Statements of Cash Flows for</u> <u>the Nine Months Ended September 30, 2013 and 2012</u>	<u>4</u>
<u>Condensed Notes to Consolidated Financial Statements</u>	<u>5</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and</u> <u>Results of Operations</u>	<u>36</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>61</u>
<u>Item 4. Controls and Procedures</u>	<u>63</u>
<u>PART II – OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	<u>63</u>
<u>Item 1A. Risk Factors</u>	<u>64</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>64</u>
<u>Item 6. Exhibits</u>	<u>65</u>
<u>SIGNATURE</u>	<u>66</u>

Table of Contents

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

## VALERO ENERGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(Millions of Dollars, Except Par Value)

	September 30, 2013 (Unaudited)	December 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and temporary cash investments	\$ 1,908	\$ 1,723
Receivables, net	9,126	8,167
Inventories	7,063	5,973
Income taxes receivable	108	169
Deferred income taxes	257	274
Prepaid expenses and other	131	154
Total current assets	18,593	16,460
Property, plant and equipment, at cost	33,652	34,132
Accumulated depreciation	(8,010	) (7,832
Property, plant and equipment, net	25,642	26,300
Intangible assets, net	160	213
Deferred charges and other assets, net	1,898	1,504
Total assets	\$46,293	\$44,477
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current portion of debt and capital lease obligations	\$303	\$586
Accounts payable	10,998	9,348
Accrued expenses	598	590
Taxes other than income taxes	1,287	1,026
Income taxes payable	96	1
Deferred income taxes	386	378
Total current liabilities	13,668	11,929
Debt and capital lease obligations, less current portion	6,261	6,463
Deferred income taxes	6,312	5,860
Other long-term liabilities	1,665	2,130
Commitments and contingencies		
Equity:		
Valero Energy Corporation stockholders' equity:		
Common stock, \$0.01 par value; 1,200,000,000 shares authorized; 673,501,593 and 673,501,593 shares issued	7	7
Additional paid-in capital	7,232	7,322
Treasury stock, at cost; 131,876,124 and 121,406,520 common shares	(6,856	) (6,437
Retained earnings	17,804	17,032
Accumulated other comprehensive income	83	108
Total Valero Energy Corporation stockholders' equity	18,270	18,032
Noncontrolling interests	117	63
Total equity	18,387	18,095

Total liabilities and equity	\$46,293	\$44,477
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See Condensed Notes to Consolidated Financial Statements.

Table of Contents

## VALERO ENERGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

(Millions of Dollars, Except Per Share Amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Operating revenues	\$36,137	\$34,726	\$103,645	\$104,555
Costs and expenses:				
Cost of sales	33,931	31,312	96,139	95,968
Operating expenses:				
Refining	954	930	2,736	2,762
Retail	—	178	226	514
Ethanol	102	76	281	248
General and administrative expenses	170	174	579	509
Depreciation and amortization expense	448	402	1,283	1,172
Asset impairment losses	—	345	—	956
Total costs and expenses	35,605	33,417	101,244	102,129
Operating income	532	1,309	2,401	