

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

June 9, 2015

Mr. Tom Barrett
President
Alyeska Pipeline Service Company
3700 Centerpoint Drive
Anchorage, AK 99503

**RE: CPF 5-2014-5003S
Consent Agreement Closure**

Dear Mr. Barrett:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) issued the above referenced Consent Agreement (CA) to Alyeska Pipeline Service Company (Alyeska) by Consent Order, dated June 27, 2014. Since issuance of the Consent Agreement, Alyeska has worked toward completing the requirements of the Consent Agreement. PHMSA has also been closely monitoring and conducting field validation of Alyeska's progress.

This letter acknowledges PHMSA's receipt of two recent Alyeska Government Letters, provides an update regarding the status of the CA, and closes the CA. The two recent letters (both Subject: CPF No. 5-2014-5003S, Encapsulation Consent Agreement) are Alyeska Government Letter Nos. 32503 and 32886, dated April 13, 2015 and June 4, 2015, respectively.

PHMSA's review of the information submitted by Alyeska to date indicates that Alyeska has completed all of the corrective measures required by the CA. PHMSA bases this determination on the following:

- a. Per PHMSA letter dated December 5, 2014, PHMSA considers corrective measure CA Items 11-15 completed. The corrective measure remaining open at the time (December 2014) was corrective measure CA Item 16.
- b. Regarding corrective measure CA Item 16, the consulting firm Alyeska engaged to evaluate pipeline structural integrity and long term integrity risks associated with the encapsulations has completed their evaluation. The evaluation findings and

conclusions are documented in five previously transmitted reports as acknowledged by PHMSA letter date February 12, 2015. Alyeska's position is that the remaining pressure within the installed encapsulations is either zero or a small vacuum and, as such, testing and relieving the pressure within the installed encapsulations is not necessary. Alyeska bases this position on all available information, including the consulting firm's findings and conclusions. This completes corrective measure CA Item 16.

PHMSA considers that all corrective measures of the Consent Agreement have been completed. Therefore, I am closing the above referenced Consent Agreement. I thank Alyeska for their assistance in bringing this effort to an acceptable conclusion.

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 T. Johnson (#144663)