



U.S. Department  
of Transportation

**Pipeline and Hazardous  
Materials Safety Administration**

OCT 18 2006

400 Seventh Street, S.W.  
Washington, D.C. 20590

**CERTIFIED MAIL-RETURN RECIPET REQUESTED**

Mr. Rob Shoaf  
Vice President, Regulatory Affairs  
Alyeska Pipeline Service Company  
P.O. Box 196660  
Anchorage, AK 99519-6660

**Re: CPF No. 5-2000-5006**

Dear Mr. Shoaf:

On December 31, 2003, the Pipeline and Hazardous Materials Safety Administration (PHMSA)<sup>1</sup> issued to Alyeska Pipeline Service Company (Alyeska) a Final Order. The Final Order made findings of violation, specified actions to be taken to comply with the pipeline safety regulations, and assessed a civil penalty of \$62,500.<sup>2</sup>

Based on the recommendation of the Director, Western Region, PHMSA, it has been determined that you have complied with the Final Order by satisfying the requirements of the compliance term specified by Item 2 of the Final Order and by payment of the civil penalty. Your compliance with the remaining compliance term, specified by Item 8 of the Final Order, was resolved by a May 19, 2006 Consent Order, incorporating a Consent Agreement between us. Accordingly, this case is now closed and no further enforcement action is contemplated with respect to the matters involved in this case.

Sincerely,

James Reynolds  
Pipeline Compliance Registry  
Office of Pipeline Safety

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<sup>1</sup> Effective February 20, 2005, the Pipeline and Hazardous Materials Safety Administration (PHMSA) succeeded Research and Special Programs Administration (RSPA) as the agency responsible for regulating safety in pipeline transportation. See, section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005) re delegating the pipeline safety authorities and functions to the PHMSA Administrator.

<sup>2</sup> Due to a mailing mix up, the Final Order was resent and deemed received January 14, 2004. Upon Alyeska's January 28, 2004 request, the Region, by letter dated February 12, 2004, granted an extension of time to submit a Petition for Reconsideration until February 27, 2004. On February 26, 2004, Alyeska submitted a Petition for Reconsideration of the Final Order. On June 23, 2004, PHMSA issued a Decision on the Petition for Reconsideration denying the relief sought. On August 6, 2004, Alyeska paid the \$62,500 civil penalty in full.

cc: Ms. Shelia Doody-Bishop, Esq., Alyeska Pipeline Service Company  
Mr. Chris Hoidal, P.E., Director, Western Region, PHMSA