



U.S. Department of Transportation
**Pipeline and Hazardous Materials
Safety Administration**

8701 S. Gessner, Suite 630
Houston TX 77074

**NOTICE OF PROBABLE VIOLATION
AND
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL TO: julio.cintron@crowley.com

November 16, 2023

Julio Cintron
Director of LNG Operations
Crowley LNG Puerto Rico, LLC
Carretera Pr -337, Km 3.6, Barrio Tallaboa
Peñuelas, Puerto Rico 00624

CPF 4-2023-057-NOPV

Dear Mr. Cintron:

On June 29, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Crowley LNG Puerto Rico's (Crowley) LNG truck loading facility in San Juan, Puerto Rico.

As a result of the inspection, it is alleged that Crowley has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (C.F.R.). The item inspected and the probable violation is:

1. **§ 193.2101 Scope.**
(a) Each LNG facility designed after March 31, 2000 must comply with the requirements of this part and of NFPA-59A-2001 (incorporated by reference, see § 193.2013). If there is a conflict between this Part and NFPA-59A-2001, the requirements in this part prevail.

Crowley failed to design its LNG facility in accordance with NFPA-59A-2001 as required by § 193.2101(a). Specifically, Crowley failed to provide controls located at the truck loading area that can stop the operation of remotely located pumps used for loading tank cars or tank vehicles, as required by section 8.3.1 of NFPA-59A-2001.

Crowley operates an LNG truck loading facility that receives LNG from in-tank pumps that are remotely located at the LNG Import Terminal operated by EcoEléctrica. Crowley's truck loading facility failed to incorporate a device that, when initiated, shuts down the LNG in-tank pumps in an emergency.

During the inspection, PHMSA discovered that the Crowley truck transfer area did not have the capability to shut down the LNG in-tank pumps located on the EcoEléctrica LNG Import Terminal site. Rather, Crowley's Emergency Shutdown system uses a series of automated isolation valves to stop flow to the truck loading facility. However, because Crowley did not install the capability to remotely shut down the EcoEléctrica LNG in-tank pumps, Crowley failed to provide controls at the truck loading area for the purpose of stopping the operation of remotely located pumps used for loading tank cars or tank vehicles, as required in section 8.3.1 of NFPA-59A-2001.

Therefore, Crowley failed to design its LNG facility in accordance with NFPA-59A-2001 as required by § 193.2101(a).

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

Also, for each violation involving LNG facilities, an additional penalty of not more than \$94,128 occurring on or after January 6, 2023 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$87,362 occurring on or after March 21, 2022 and before January 6, 2023 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$82,245 occurring on or after May 3, 2021 and before March 21, 2022 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$81,284 occurring on or after January 11, 2021 and before May 3, 2021 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$79,875 occurring on or after July 31, 2019 and before January 11, 2021 may be imposed. For

each violation involving LNG facilities, an additional penalty of not more than \$77,910 occurring on or after November 27, 2018 and before July 31, 2019 may be imposed. For each violation involving LNG facilities occurring on or after November 2, 2015 and before November 27, 2018, an additional penalty of not more than \$76,352 may be imposed.

We have reviewed the circumstances and supporting documents involved in this case and have decided not to propose a civil penalty assessment at this time.

With respect to Item 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Crowley LNG Puerto Rico. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. § 552(b).

Following your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 4-2023-057-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Crowley LNG Puerto Rico a Compliance Order incorporating the following remedial requirements to ensure the compliance with the pipeline safety regulations:

- A. Regarding Item 1 of the Notice pertaining to Crowley's failure to provide controls at the truck loading area for the purpose of stopping the operation of remotely located pumps used for loading tank cars or tank vehicles in accordance with § 193.2101(a), Crowley LNG Puerto Rico must install a mechanism at the Crowley Truck Loading Facility that will shut down the LNG in-tank pumps located in the EcoEléctrica LNG Import Terminal. Crowley must provide the following to the Director, Southwest Region within 90 days of issuance of the Final Order:
 - a. A plan detailing the approach and timeline required to install the mechanism, including drawings, cause-and-effect diagram, and P&ID's that illustrate the intended function of the mechanism.
 - b. Updated procedures that incorporate the new mechanism and instructions on its use, including:
 - i. Operations Manual
 - ii. Shutdown Procedure
 - iii. Training Procedure
- B. It is requested (not mandated) that Crowley LNG Puerto Rico maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to LNG facility and pipeline infrastructure.