

**TITLE 16. ECONOMIC REGULATION
PART 1. RAILROAD COMMISSION OF TEXAS
CHAPTER 14. REGULATIONS FOR LIQUEFIED
NATURAL GAS (LNG)
SUBCHAPTER A. GENERAL APPLICABILITY
AND REQUIREMENTS**

§14.2004. Applicability, Severability, and Retroactivity.

(a) This chapter is intended to apply to the design, installation, and operation of liquefied natural gas (LNG) dispensing systems, the design and installation of LNG engine fuel systems on vehicles of all types and their associated fueling facilities, and the construction and operation of equipment for the storage, handling, and transportation of LNG.

(b) This chapter shall not apply to:

- (1) locomotives, railcar tenders, marine terminals;
- (2) the transportation, loading, or unloading of LNG on ships, barges, or other types of watercraft which are subject to the American Boat and Yacht Council and any other applicable standards;
- (3) any fuel cell approved by the Federal Aviation Administration and intended to be used solely as a fuel cell for aircraft, including hot air balloons;
- (4) an installation or connection that is part of a distribution or pipeline system that is covered by Title 49, Code of Federal Regulations, Part 192;
- (5) LNG in a system that has been vaporized and converted to compressed natural gas (CNG), in which case the equipment and components must comply with the Commission's Regulations for Compressed Natural Gas in Chapter 13 of this title (relating to Regulations for Compressed Natural Gas (CNG)); and
- (6) liquefaction plants under the jurisdiction of DOT and the requirements of Chapter 8 of this title (relating to Pipeline Safety Regulations).

(c) If any term, clause, or provision of these rules is for any reason declared invalid, the remainder of the provisions shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

(d) Nothing in these rules shall be construed as requiring, allowing, or approving the unlicensed practice of engineering or any other professional occupation requiring licensure.

(e) Unless otherwise stated, the rules in this chapter are not retroactive. Any installation of an LNG system, containers, and equipment shall meet the requirements of this chapter at the time of installation.

(f) This chapter shall not apply to vehicles and fuel supply containers that:

- (1) are manufactured or installed by original equipment manufacturers; and

(2) comply with Title 49, Code of Federal Regulations, the Federal Motor Vehicle Safety Standards.

(g) Vehicles and fuel supply containers excluded from the requirements of this chapter pursuant to subsection (f) of this section shall comply with the requirements of §14.2046 of this title (relating to School Bus, Public Transportation, Mass Transit and Special Transit Vehicle Installations and Inspections).

The provisions of this §14.2004 adopted to be effective July 28, 2003, 28 TexReg 5872; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2007. Definitions.

The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise.

(1) AFS--The Commission's Alternative Fuels Safety department within the Commission's Oversight and Safety Division.

(2) Aggregate water capacity (AWC)--The sum of all individual container capacities as measured by weight or volume of water which are placed at a single installation location.

(3) ANSI--American National Standards Institute.

(4) API--American Petroleum Institute.

(5) ASME--American Society of Mechanical Engineers.

(6) ASME Code--The American Society of Mechanical Engineers Boiler and Pressure Vessel Code, Section I, Section IV, Section VIII, and Section IX.

(7) Automatic fuel dispenser--A fuel dispenser which requires transaction authorization.

(8) Certificate holder--An individual who has passed the required management-level or employee-level examination pursuant to §14.2019 of this title (relating to Examination Requirements and Renewals) and paid the applicable fees.

(9) Certified--An individual who is authorized by the Commission to perform the LNG activities covered by the certification issued under §14.2019 of this title.

(10) Combustible material--A solid material which, in the form in which it is used and under the conditions anticipated, can be ignited and will burn, support combustion, or release flammable vapors when subjected to fire or heat.

(11) Commercial installation--An LNG equipment installation located on premises other than a single-family dwelling used primarily as a residence.

(12) Commission--The Railroad Commission of Texas.

(13) Company representative--The individual designated to the Commission by a license applicant or a

licensee as the principal individual in authority and actively supervising the conduct of the licensee's LNG activities.

(14) Container--Any LNG vessel manufactured to the applicable sections of the API Code, ASME Code, or DOT requirements in effect at the time of manufacture.

(15) Container appurtenances--Components installed in container openings, including but not limited to pressure relief devices, shutoff valves, backflow check valves, excess flow check valves, internal valves, liquid level gauges, pressure gauges, and plugs.

(16) Conversion--The changes made to a vehicle to allow it to use LNG as a motor fuel.

(17) Dike--A structure used to establish an impounding area.

(18) Director--The director of AFS or the director's delegate.

(19) Dispensing system--That combination of valves, meters, hoses, piping, electrical connections, and fuel connections used to distribute LNG to mobile or motor fuel containers.

(20) DOT--The United States Department of Transportation.

(21) Employee--Any individual who renders or performs any services or labor for compensation, including individuals hired on a part-time or temporary basis, full-time or permanent basis, independent contractors, and owner-employees.

(22) Final approval--The authority issued by AFS allowing the introduction of LNG into a container and system.

(23) Fired equipment--Any equipment in which the combustion of fuels takes place.

(24) Ignition source--Any item, substance, or event having adequate temperature and energy release of the type and magnitude sufficient to ignite any flammable mixture of gases or vapors that could occur at a site.

(25) Impounding area--An area defined through the use of dikes or the topography at the site for the purpose of containing any accidental spill of LNG.

(26) Interim approval order--The authority issued by the Railroad Commission of Texas following a public hearing allowing construction of an LNG installation.

(27) Labeled--The attachment to equipment or materials of a label, symbol, or other identifying mark of a nationally recognized testing laboratory or a Category 50 licensee which conducts product evaluation, periodically inspects production of listed equipment or materials, and which publishes its findings in a list indicating that the equipment either meets appropriate standards or has been tested and found suitable for use in a specified manner.

(28) Licensed--Authorized by the Commission to perform LNG activities through the issuance of a valid license by AFS.

(29) Licensee--A person which has applied for and been granted an LNG license by the Commission.

(30) LNG--Natural gas, consisting primarily of methane in liquid or semisolid state.

(31) LNG system--A system of safety devices, containers, piping, fittings, valves, regulators, and other LNG equipment intended for use or used with a motor vehicle fueled by LNG and any system or other facilities designed to be used or used in the sale, storage, transportation for delivery, or distribution of LNG.

(32) LNG transport--Any vehicle or combination of vehicles and LNG containers designed or adapted for use or used principally as a means of moving or delivering LNG from one place to another, including but not limited to any truck, trailer, semi-trailer, cargo tank, or other vehicle used in the distribution of LNG.

(33) Mass transit vehicle--Any vehicle which is owned or operated by a political subdivision of a state, city, or county, and which is used primarily in the conveyance of the general public.

(34) Maximum allowable working pressure--The maximum gauge pressure permissible at the top of completed equipment, containers, or vessels in their operating position for a design temperature.

(35) Mobile fuel container--An LNG container mounted on a vehicle to store LNG as the fuel supply for uses other than the engine to propel the vehicle, including use in an auxiliary engine.

(36) Mobile fuel system--An LNG system to supply natural gas fuel to an auxiliary engine other than the engine used to propel the vehicle or for other uses on the vehicle.

(37) Motor fuel container--An LNG container mounted on a vehicle and used to store LNG as the fuel supply to an engine used to propel the vehicle.

(38) Motor fuel system--An LNG system to supply natural gas as a fuel for an engine used to propel the vehicle.

(39) NEC--National Electrical Code (NFPA 70).

(40) NFPA--National Fire Protection Association.

(41) Noncombustible material--A solid material which in no conceivable form or combination with other material will ignite.

(42) Operations supervisor--An individual who is certified by the Commission to actively supervise a licensee's LNG activities and who is authorized by the licensee to implement operational changes.

(43) Outlet--A site operated by an LNG licensee from which any regulated LNG activity is performed.

(44) Person--An individual, partnership, firm, joint venture, corporation, association, or any other business

entity, a state agency or institution, county, municipality, school district, other governmental subdivision, or licensee.

(45) Point of transfer--The point at which a connection is made to transfer LNG from one container to another.

(46) Pressure relief device--A device, including a pressure relief valve, which is designed both to open automatically to prevent a continued rise of internal fluid pressure in excess of a specified value (set pressure) and to close when the internal fluid pressure is reduced below the set pressure.

(47) Pressure vessel--A container or other component designed in accordance with the ASME Code.

(48) Property line--The boundary which designates the point at which one real property interest ends and another begins.

(49) PSIG--Pounds per square inch gauge.

(50) Public transportation vehicle--A vehicle for hire to transport persons, including but not limited to taxis, buses (excluding school buses, mass transit or special transit vehicles), and airport courtesy cars.

(51) Pullaway--The accidental separation of a hose from a cylinder, container, transfer equipment, or dispensing equipment, which could occur on a cylinder, container, transfer equipment, or dispensing equipment whether or not they are protected by a pullaway or breakaway device.

(52) Registered manufacturer--A person who has applied for and been granted a registration to manufacture LNG containers by the Commission.

(53) Repair to container--The correction of damage or deterioration to an LNG container, the alteration of the structure of such a container, or the welding on such a container in a manner which causes the temperature of the container to rise above 400 degrees Fahrenheit.

(54) Rules examination--The Commission's written examination that measures an examinee's working knowledge of Texas Natural Resources Code, Chapter 116, and the rules in this chapter.

(55) School--A public or private institution which has been accredited through the Texas Education Agency or the Texas Private School Accreditation Commission.

(56) School bus--A vehicle that is sold or used for purposes that include carrying students to and from school or related events.

(57) Special transit vehicle--A vehicle designed with limited passenger capacity which is primarily used by a mass transit authority for special transit purposes such as transport of mobility impaired individuals.

(58) Temporary installation--A stationary installation at which LNG activities are performed for 12 months or less pursuant to §14.2043 of this title (relating to Temporary Installations).

(59) Trainee--An individual who has not yet taken and passed an employee-level rules examination.

(60) Transfer area--That portion of an LNG refueling station where LNG is introduced into or dispensed from a stationary installation.

(61) Transfer system--All piping, fittings, valves, pumps, meters, hoses, bulkheads, and equipment used in transferring LNG between containers.

(62) Transport--Any container built in accordance with ASME or DOT specifications and used to transport LNG for delivery.

(63) Transport system--Any and all piping, fittings, valves, and equipment on a transport, excluding the container.

(64) Ultimate consumer--The person controlling LNG immediately prior to its ignition.

(65) Water capacity--The amount of water in gallons required to fill a container.

The provisions of this §14.2007 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2010. LNG Report Forms.

Forms required to be filed with AFS shall be those prescribed by the Commission. A complete set of all required forms shall be posted on the Commission's web site. Notice of any new or amended forms shall be issued by the Commission. Any form filed with the Commission shall be completed in its entirety. A person may file the prescribed form on paper or use any electronic filing process. The Commission may at its discretion accept an earlier version of a prescribed form, provided that it contains all required information.

The provisions of this §14.2010 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2013. License Categories, Container Manufacturer Registration, Fees, and Application for Licenses, Manufacturer Registrations, and Renewals.

(a) A prospective licensee may apply to AFS for one or more licenses specified in subsection (b)(1) - (8) of this section. A prospective container manufacturer may apply to AFS for a container manufacturer registration specified in subsection (d) of this section. Fees required to be paid shall be those established by the Commission and in effect at the time of application or renewal and shall be paid at the time of application or renewal.

(b) The license categories and fees are as follows:

(1) A Category 15 license for container assembly and repair authorizes the assembly, repair, installation, subframing, testing, and sale of LNG containers, including LNG motor or mobile fuel containers and systems, and the repair and installation of transport and transfer systems. The original license fee is \$1,000; the renewal fee is \$600.

(2) A Category 20 license for transport outfitters authorizes the subframing, testing, and sale of LNG transport containers; the testing of LNG storage containers; the installation, testing, and sale of LNG motor or mobile fuel containers and systems; and the installation and repair of transport systems and motor or mobile fuel systems. The original license fee is \$400; the renewal fee is \$200.

(3) A Category 25 license for carriers authorizes the transportation of LNG by transport, including the loading and unloading of LNG. The original license fee is \$1,000; the renewal fee is \$300.

(4) A Category 30 license for general installers and repairmen authorizes the sale, repair, service, and installation of stationary containers and LNG systems. The original license fee is \$100; the renewal fee is \$70.

(5) A Category 35 license for retail and wholesale dealers authorizes the storage, sale, transportation, and distribution of LNG and all other activities included in this section, except the manufacture, fabrication, assembly, repair, subframing, and testing of LNG containers. The original license fee is \$750; the renewal fee is \$300.

(6) A Category 40 license for general public dispensing stations authorizes the storage, sale, and dispensing of LNG into motor and mobile fuel containers. The original license fee is \$150; the renewal fee is \$70.

(7) A Category 45 license for engine and mobile fuel authorizes the sale and installation of LNG motor or mobile fuel containers, and the sale, repair, and installation of LNG motor or mobile fuel systems. The original license fee is \$100; the renewal fee is \$50.

(8) A Category 50 license for testing laboratories authorizes the testing of LNG containers, LNG motor fuel systems or mobile fuel systems, transfer systems, and transport systems for the purpose of determining the safety of the containers or systems for LNG service, including the necessary installation, disconnection, reconnection, testing, and repair of LNG motor fuel systems or mobile fuel systems, transfer systems, and transport systems involved in the testing of containers. The original license fee is \$200; the renewal fee is \$100.

(c) A military service member, military veteran, or military spouse shall be exempt from the original license fee specified in subsection (b) of this section pursuant to the requirements in §14.2015 of this title (relating to

Military Fee Exemption). An individual who receives a military fee exemption is not exempt from renewal or transport registration fees specified in §14.2014 and §14.2704 of this title (relating to Application for License or Manufacturer Registration (New and Renewal); and Registration and Transfer of LNG Transports), respectively.

(d) A container manufacturer registration authorizes the manufacture, assembly, repair, testing and sale of LNG containers. An original registration fee is \$1,000; the renewal fee is \$600.

The provisions of this §14.2013 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2014 Application for License or Manufacturer Registration (New and Renewal)

(a) No person may engage in any LNG activities until that person has obtained a license from the Commission authorizing the LNG activities, except as follows:

(1) A state agency or institution, county, municipality, school district, or other governmental subdivision is exempt from licensing requirements as provided in Texas Natural Resources Code, §116.031(d) if the entity is performing LNG activities on its own behalf but is required to obtain a license to perform LNG activities for or on behalf of a second party.

(2) An original manufacturer of a new motor vehicle powered by LNG, or a subcontractor of a manufacturer who produces a new LNG powered motor vehicle for the manufacturer is not subject to the licensing requirements of this chapter, but shall comply with all other rules in this chapter.

(3) An ultimate consumer is not subject to the licensing requirements of this chapter in order to perform those LNG activities dealing only with the ultimate consumer; however, a license is required to register a transport or cylinder delivery unit. An ultimate consumer's license does not require a fee or a company representative.

(b) An applicant for license shall not engage in LNG activities until it has employed a company representative who meets the requirements of §14.2025 of this title (relating to Designation and Responsibilities of Company Representatives and Operations Supervisors).

(c) Licensees, registered manufacturers, company representatives, and operations supervisors at each outlet shall have copies of all current licenses and/or manufacturer registration certificates and certification cards for employees at that location available for inspection during regular business hours. In addition, licensees and registered manufacturers shall maintain a current version of the rules in this chapter and any

adopted codes covering LNG activities performed by the licensee or manufacturer, and shall provide at least one copy of all publications to each company representative and operations supervisor. The copies shall be available to employees during business hours.

(d) Licenses and manufacturer registrations issued under this chapter expire one year after issuance at midnight on the last day of the month prior to the month in which they are issued.

(e) If a license or registration expires, the person shall immediately cease LNG activities.

(f) Applicants for a new license shall file with AFS:

(1) a properly completed LNG Form 2001 listing all names under which LNG-related activities requiring licensing are to be conducted and the applicant's properly qualified company representative, and the following forms or documents as applicable:

(A) LNG Form 2001A if the applicant will operate any outlets pursuant to subsection (g) of this section;

(B) LNG Form 2007 and any information requested in §14.2704 of this title (relating to Registration and Transfer of LNG Transports) if the applicant intends to register any LNG transports;

(C) LNG Form 2019 if the applicant will be transferring the operation of an existing storage or retail facilities;

(D) any form required to comply with §14.2031 of this title (relating to Insurance Requirements);

(E) a copy of current certificate of account status if required by §14.2028 of this title (relating to Franchise Tax Certification and Assumed Name Certificates); and/or

(F) copies of the assumed name certificates if required by §14.2028 of this title; and

(2) payment for all applicable fees.

(A) If the applicant submits the payment by mail, the payment shall be in the form of a check, money order or printed copy of an online receipts.

(B) If the applicant pays the applicable fee online, the applicant shall submit a copy of an online payment receipt via mail, email or fax.

(g) A licensee shall submit LNG Form 2001A listing all outlets operated by the licensee.

(1) Each outlet shall employ an operations supervisor who meets the requirements of §14.2025 of this title.

(2) Each outlet shall be listed on the licensee's renewal specified in subsection (j) of this section.

(h) Beginning February 15, 2021, a prospective container manufacturer may apply to AFS to manufacture LNG containers in the state of Texas. Beginning February 15, 2021, a person shall not engage in the manufacture of LNG containers in this state unless that person has obtained a container manufacturer's registration as specified in this subsection.

(1) Applicants for container manufacturer registration shall file with AFS LNG Form 2001M, and the following forms or documents as applicable:

(A) any form required by §14.2031 of this title;

(B) a copy of current certificate of account status if required by §14.2028 of this title;

(C) copies of the assumed name certificates if required by §14.2028 of this title;

(D) a copy of current DOT authorization. A registered manufacturer shall not continue to operate after the expiration date of the DOT authorization; and/or

(E) a copy of current ASME Code, Section VIII certificate of authorization or "R" certificate. If ASME is unable to issue a renewed certificate of authorization prior to the expiration date, the manufacturer may request in writing an extension of time not to exceed 60 calendar days past the expiration date. The request for extension shall be received by AFS prior to the expiration date of the ASME certificate of authorization referred to in this section, and shall include a letter or statement from ASME that the agency is unable to issue the renewal certificate of authorization prior to expiration and that a temporary extension will be granted for its purposes. A registered manufacturer shall not continue to operate after the expiration date of an ASME certificate of authorization until the manufacturer files a current ASME certificate of authorization with AFS or AFS grants a temporary exception.

(2) By filing LNG Form 2001M, the applicant certifies that it has read the requirements of this chapter and shall comply with all applicable rules, regulations and adopted standards.

(3) The required fee shall accompany LNG Form 2001M. An original registration fee is \$1,000; the renewal fee is \$600.

(A) If submitted by mail, payment shall be by check, money order, or printed copy of an online receipt.

(B) If submitted by email or fax, payment shall be a copy of an online receipt.

(4) If a manufacturer registration expires or lapses, the person shall immediately cease the manufacture, assembly, repair, testing and sale of LNG containers in Texas.

(i) AFS will review an application for license or registration to verify all requirements have been met.

(1) If errors are found or information is missing in the application or other documents, AFS will notify the applicant of the deficiencies in writing.

(2) The applicant must respond with the required information and/or documentation within 30 days of the written notice. Failure to respond by the deadline will result in withdrawal of the application.

(3) If all requirements have been met AFS will issue the license or manufacturer registration and send the

license or registration to licensee or manufacturer, as applicable.

(j) For license and manufacturer registration renewals:

(1) AFS shall notify the licensee or registered manufacturer in writing at the address on file with AFS of the impending license or manufacturer registration expiration at least 30 calendar days before the date the license or registration is scheduled to expire.

(2) The renewal notice shall include copies of applicable LNG Forms 2001, 2001A, and 2007 or LNG Form 2001M showing the information currently on file.

(3) The licensee or registered manufacturer shall review and return all renewal documentation to AFS with any necessary changes clearly marked on the forms. The licensee or registered manufacturer shall submit any applicable fees with the renewal documentation.

(4) Failure to meet the renewal deadline set forth in this section shall result in expiration of the license or manufacturer registration.

(5) If a person's license or manufacturer registration expires, that person shall immediately cease performance of any LNG activities authorized by the license or registration.

(6) If a person's license or manufacturer registration has been expired for 90 calendar days or fewer, the person shall submit a renewal fee that is equal to 1 1/2 times the renewal fee in §14.2013 of this title (relating to License Categories, Container Manufacturer Registration, Fees, and Application for Licenses, Manufacturer Registrations and Renewals).

(7) If a person's license or manufacturer registration has been expired for more than 90 calendar days but less than one year, the person shall submit a renewal fee that is equal to two times the renewal fee.

(8) If a person's license or manufacturer registration has been expired for one year or more, that person shall not renew, but shall comply with the requirements for issuance of an original license or manufacturer registration under this section and §14.2013 of this title.

(9) After verification that the licensee or registered manufacturer has met all requirements for licensing or manufacturer registration, AFS shall renew the license or registration and send the applicable authorization to the licensee or manufacturer.

(k) Applicants for license or license renewal in the following categories shall comply with these additional requirements:

(1) An applicant for a Category 20 or 50 license or renewal shall file with AFS a completed LNG Form 2505, certifying that the applicant will follow the testing procedures indicated. LNG Form 2505 shall be signed by the appropriate LNG company representative designated on the licensee's LNG Form 2001.

(2) An applicant for Category 15, 20, or 50 license or renewal who tests tanks, subframes LNG cargo tanks, or performs other activities requiring DOT registration shall file with AFS a copy of any applicable current DOT registrations. Such registration shall comply with Title, 40 Code of Federal Regulations, Part 107 (Hazardous Materials Program Procedures), Subpart F (Registration of Cargo Tank and Cargo Tank Motor Vehicle Manufacturers and Repairers and Cargo Tank Motor Vehicle Assemblers).

The provisions of this §14.2014 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2015 Military Fee Exemption

(a) This section applies to military service members, military veterans, or military spouses, as those terms are defined in Texas Occupations Code, Chapter 55.

(b) The Commission shall waive license and examination fees for:

(1) a military service member or military veteran whose service, training, or education meets the Commission's licensing or certification requirements in this chapter; or

(2) a military service member, military veteran, or military spouse who holds a current license issued by another jurisdiction with licensing requirements substantially equivalent to the Commission's licensing requirements in this chapter.

(c) To receive a military fee exemption, an applicant for a fee exemption shall file with the Commission LNG Form 2035 and any documentation required by this subsection.

(1) A military service member or military veteran whose service, training, or education meets the Commission's requirements for licensing or certification shall submit the following documentation with LNG Form 2035:

(A) a copy of any military records showing the applicant's dates of service;

(B) a copy of the applicant's driver's license or state-issued identification card; and either

(C) any military service history for the applicant showing that LNG activities were performed, including a description of the types of LNG activities that were performed; or

(D) any military LNG training or education the applicant received, including a description of the types of LNG activities the training or education covered.

(2) A military service member or military veteran who holds a current license issued by another jurisdiction with licensing requirements substantially equivalent to the Commission's requirements in this chapter shall submit the following documentation with LNG Form 2035:

(A) a copy of the license issued by the named jurisdiction;

(B) a description of the types of LNG activities that were performed under the license;

(C) a copy of any military records showing the applicant's dates of service; and

(D) a copy of the applicant's driver's license or state-issued identification card.

(3) A military spouse who holds a current license issued by another jurisdiction with licensing requirements substantially equivalent to the Commission's requirements in this chapter shall submit the following documentation with LNG Form 2035:

(A) a copy of the license issued by the named jurisdiction;

(B) a description of the types of LNG activities that were performed under the license;

(C) a copy of the applicant's driver's license or state-issued identification card;

(D) a copy of the military service member's military records, including dates of service; and

(E) a copy of a valid marriage license between the applicant and the individual listed on the military records.

(d) The Commission shall review LNG Form 2035 and required documentation to determine if the requirements for the fee exemption have been met and shall notify the applicant of the determination in writing within 30 days.

(1) If all requirements have been met, the applicant may submit the application for license or examination and attach a copy of the written notice granting military fee exemption with the application to serve as notice of payment.

(2) If the Commission has notified the applicant that the application is incomplete, the applicant shall provide any requested information or documentation within 30 days of the date of the notice.

(e) A military service member, military veteran, or military spouse who receives a military fee exemption is not exempt from, and may not use this section to circumvent, the requirements in this chapter to obtain a license or become certified by examination; license or certification renewal requirements; or any transport registration requirements or fees.

The provisions of this §14.2015 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2016 Penalty Guidelines and Enforcement

(a) Penalty guidelines for LNG safety violations.

(1) Policy. Improved safety and environmental protection are the desired outcomes of any enforcement action. Encouraging licensees, certificate holders and registered manufacturers to take appropriate voluntary corrective and future protective actions once a violation has occurred is an effective component of the

enforcement process. Deterrence of violations through penalty assessments is also a necessary and effective component of the enforcement process. A rule-based enforcement penalty guideline to evaluate and rank LNG-related violations is consistent with the central goal of the Commission's enforcement efforts to promote compliance. Penalty guidelines set forth in this section will provide a framework for more uniform and equitable assessment of penalties throughout the state, while also enhancing the integrity of the Commission's enforcement program.

(2) Guidelines. This section complies with the requirements of Texas Natural Resources Code, §81.0531. The penalty amounts contained in the tables in this section are provided solely as guidelines to be considered by the Commission in determining the amount of administrative penalties for violations of Texas Natural Resources Code, Chapter 116; of rules, orders, licenses, registrations, permits, or certificates relating to LNG safety adopted under those provisions; and of regulations, codes, or standards that the Commission has adopted by reference.

(3) Commission authority. The establishment of these penalty guidelines shall in no way limit the Commission's authority and discretion to assess administrative penalties. The typical minimum penalties listed in this section are for the most common violations cited; however, this is neither an exclusive nor an exhaustive list of violations that the Commission may cite. The Commission retains full authority and discretion to cite violations of Texas Natural Resources Code, Chapter 116; of rules, orders, licenses, registrations, permits, or certificates relating to LNG safety adopted or issued under those provisions; and of regulations, codes, or standards that the Commission has adopted by reference, and to assess administrative penalties in any amount up to the statutory maximum when warranted by the facts in any case, regardless of inclusion in or omission from this section.

(4) Factors considered. The amount of any penalty requested, recommended, or finally assessed in an enforcement action will be determined on an individual case-by-case basis for each violation, taking into consideration the following factors:

(A) the person's history of previous violations;

(B) the seriousness of the previous violations;

(C) any hazard to the health or safety of the public; and

(D) the demonstrated good faith of the person charged.

(5) Typical penalties. Regardless of the method by which the typical penalty amount is calculated, the total penalty amount will be within the statutory limit. Typical penalties for violations of Texas Natural Resources

Code, Chapter 116; of rules, orders, licenses, registrations, permits, or certificates relating to LNG safety adopted under those provisions; and of regulations, codes, or standards that the Commission has adopted by reference, are set forth in Table 1.

Figure: 16 TAC §14.2016(a)(5) [See Figures at the end of this document.]

(6) Penalty enhancements for certain violations. For violations that involve threatened or actual safety hazards, or that result from the reckless or intentional conduct of the person charged, the Commission may assess an enhancement of the typical penalty. The enhancement may be in any amount in the range shown for each type of violation, as shown in Table 2.

Figure: 16 TAC §2016(a)(6) [See Figures at the end of this document.]

(7) Penalty enhancements for certain violators. For violations in which the person charged has a history of prior violations within seven years of the current enforcement action, the Commission may assess an enhancement based on either the number of prior violations or the total amount of previous administrative penalties, but not both. The actual amount of any penalty enhancement will be determined on an individual case-by-case basis for each violation. The guidelines in Tables 3 and 4 are intended to be used separately. Either guideline may be used where applicable, but not both.

Figure 1: 16 TAC §14.2016(a)(7)

Figure 2: 16 TAC §14.2016(a)(7) [See Figures at the end of this document.]

(8) Penalty reduction for settlement before hearing. The recommended monetary penalty for a violation may be reduced by up to 50% if the person charged agrees to a settlement before the Commission conducts an administrative hearing to prosecute a violation. Once the hearing is convened, the opportunity for the person charged to reduce the basic monetary penalty is no longer available. The reduction applies to the basic penalty amount requested and not to any requested enhancements.

(9) Demonstrated good faith. In determining the total amount of any monetary penalty requested, recommended, or finally assessed in an enforcement action, the Commission may consider, on an individual case-by-case basis for each violation, the demonstrated good faith of the person charged. Demonstrated good faith includes, but is not limited to, actions taken by the person charged before the filing of an enforcement action to remedy, in whole or in part, a violation or to mitigate the consequences of a violation.

(10) Other sanctions. Depending upon the nature of and the consequences resulting from a violation of the rules in this chapter, the Commission may impose a non-

monetary penalty, such as requiring attendance at a safety training course, or may issue a warning.

(11) Penalty calculation worksheet. The penalty calculation worksheet shown in Table 5 lists the typical penalty amounts for certain violations; the circumstances justifying enhancements of a penalty and the amount of the enhancement; and the circumstances justifying a reduction in a penalty and the amount of the reduction.

Figure: 16 TAC §14.2016(a)(11) [See Figures at the end of this document.]

(b) Denial, suspension, or revocation of licenses, manufacturer registrations, or certificates.

(1) The Commission may deny, suspend, or revoke a license, manufacturer registration, or certificate for any person who fails to comply with this chapter.

(A) If AFS determines that an applicant for license, manufacturer registration, certificate, or renewal has not met the requirements of this chapter, AFS shall notify the applicant in writing of the reasons for the proposed denial. In the case of an applicant for license, manufacturer registration, or certificate, the notice shall advise the person that the application may be resubmitted within 30 calendar days of receipt of the denial with all cited deficiencies corrected, or, if the person disagrees with AFS=determination, that person may request in writing a hearing on the matter within 30 calendar days of receipt of the notice of denial.

(B) If a person resubmits the application within 30 calendar days of receipt of the denial with all deficiencies corrected, AFS shall issue the license, manufacturer registration, certificate, or renewal as applicable.

(2) Hearing regarding denial of license, manufacturer registration, certificate, or associated renewals.

(A) An applicant receiving a notice of denial may request a hearing to determine whether the applicant did comply in all respects with the requirements for the license, registration, or certificate sought. The request for hearing shall be in writing, shall refer to the specific requirements the applicant claims were met, and shall be submitted to AFS within 30 calendar days of the applicant's receipt of the notification of denial.

(B) Upon receipt of a request complying with this paragraph, AFS shall forward the request for a hearing to the Hearings Division for the purpose of scheduling a hearing.

(C) If, after hearing, the Commission finds the applicant's claim has been supported, the Commission may issue an order approving the license, manufacturer registration, or certificate and AFS shall issue the license, manufacturer registration, certificate, or associated renewal if applicable.

(D) If, after hearing, the Commission finds that the applicant does not comply with the requirements of this

chapter the Commission may issue an order denying the application or renewal.

(3) Alleged violations and notice of non-compliance.

(A) If AFS finds by means including, but not limited to, inspection, review of required documents submitted, or complaint by a member of the general public or any other person, a probable or actual violation of or noncompliance with Texas Natural Resources Code, Chapter 116, or the rules in this chapter, AFS shall notify the licensee, registered manufacturer, or certified person of the alleged violation or noncompliance in writing.

(B) The notice shall specify the acts, omissions, or conduct constituting the alleged violation or noncompliance and shall designate a date not less than 30 calendar days or more than 45 calendar days after the licensee, registered manufacturer, or certified person receives the notice by which the violation or noncompliance shall be corrected or discontinued. If AFS determines the violation or noncompliance may pose imminent peril to the health, safety, or welfare of the general public, AFS may notify the licensee, registered manufacturer, or certified person orally with instruction to immediately cease the violation or noncompliance. When oral notice is given, AFS shall follow it with written notification no later than five business days after the oral notification.

(C) The licensee, registered manufacturer, or certified person shall either report the correction or discontinuance of the violation or noncompliance within the time frame specified in the notice or shall request an extension of time in which to comply. The request for extension of the time to comply shall be received by AFS within the same time frame specified in the notice for correction or discontinuance.

(4) Hearing regarding suspension or revocation of licenses, manufacturer registrations, and certificates. If a licensee, registered manufacturer, or certified person disagrees with the determination of AFS under this subsection, that person may request a public hearing on the matter as specified in Chapter 1 of this title (relating to Practice and Procedure). The request shall be in writing, shall refer to the specific rules or statutes the licensee, registered manufacturer, or certified person claims to have complied with, and shall be received by AFS within 30 calendar days of the person's receipt of the notice of violation or noncompliance. AFS shall forward the request for hearing to the Hearings Division. *The provisions of this §14.2016 adopted to be effective February 15, 2021, 46 TexReg 1044.*

§14.2019 Examination Requirements and Renewals

(a) Requirements and application for a new certificate.

(1) In addition to NFPA 52 §§4.1 and 4.2 and 59A §14.9, no person shall perform work, directly supervise LNG activities, or be employed in any capacity requiring contact with LNG unless that individual:

(A) is a certificate holder who is in compliance with renewal requirements in subsection (g) of this section and is employed by a licensee; or

(B) is a trainee who complies with subsection (f) of this section.

(2) Any person transporting LNG on a public roadway must be properly certified, even if the unit is operated by an ultimate consumer.

(b) Rules examination.

(1) An individual who passes the applicable rules examination with a score of at least 75% will become a certificate holder. AFS will send a certificate to the licensee listed on LNG Form 2016. If a licensee is not listed on the form, AFS will send the certificate to individual's personal address.

(A) Successful completion of any required examination shall be credited to the individual.

(B) An individual who has been issued a certificate shall make the certificate readily available and shall present it to any Commission employee or agent who requests proof of certification.

(2) An applicant for examination shall bring to the exam site:

(A) a completed LNG Form 2016; and

(B) payment of the applicable fee specified in paragraph (3)(B) of this subsection.

(3) An individual who files LNG Form 2016 and pays the applicable nonrefundable examination fee may take the rules examination.

(A) Dates and locations of available Commission LNG examinations may be obtained in the Austin offices of AFS and on the Commission's web site, and shall be updated at least monthly. Examinations may be conducted at the Commission's AFS Training Center in Austin between the hours of 8:00 a.m. and 12:00 noon, Monday through Friday, except for state holidays, and at other designated times and locations around the state. Individuals or companies may request in writing that examinations be given in their area. AFS shall schedule its examinations and locations at its discretion.

(B) Exam fees.

(i) The nonrefundable management-level rules examination fee is \$70.

(ii) The nonrefundable employee-level rules examination fee is \$40.

(iii) The nonrefundable examination fees shall be paid each time an individual takes an examination.

(iv) A military service member, military veteran, or military spouse shall be exempt from the examination fee pursuant to §14.2015 of this title (relating to Military

Fee Exemption). An individual who receives a military fee exemption is not exempt from renewal fees specified in subsection (g) of this section.

(C) Time limits.

(i) An applicant shall complete the examination within the time limits specified in this subparagraph.

(I) The employee-level LNG Delivery Truck Driver examination and the management-level Category 35 Retail and Wholesale Dealers examination shall be limited to three hours; and

(II) all other examinations shall be limited to two hours.

(ii) The examination proctor shall be the official timekeeper.

(iii) An examinee shall submit the examination and the answer sheet to the examination proctor before or at the end of the established time limit for an examination.

(iv) The examination proctor shall mark any answer sheet that was not completed within the time limit.

(D) Each individual who performs LNG activities as an employee of an ultimate consumer or a state agency, county, municipality, school district, or other governmental subdivision shall be properly supervised by his or her employer. Any such individual who is not certified by the Commission to perform LNG activities shall be properly trained by a competent person in the safe performance of such LNG activities.

(c) The following examinations are offered by the Commission.

(1) Employee level examinations:

(A) The Delivery Truck Driver examination qualifies an individual to operate a transport, load and unload LNG and connect and disconnect transfer hoses, and to perform all activities related to stationary LNG systems, including LNG containers, piping and equipment.

(B) The Service and Installation Technician examination qualifies an individual to perform all CNG activities related to stationary LNG systems, including LNG containers, piping and equipment. The Service and Installation examination does not authorize an individual to fill containers or operate an LNG transport.

(C) The Transport Truck Driver examination qualifies an individual to operate an LNG transport, to load and unload LNG, and connect and disconnect transfer hoses. The Transport Driver examination does not authorize an individual to install or repair transport systems.

(D) The Engine Fuel examination qualifies an individual to install LNG motor fuel containers and LNG motor fuel systems, and replace container valves on motorized vehicles licensed to operate on public

roadways. The Engine Fuel examination does not authorize an individual to fill LNG motor fuel containers.

(E) The Motor/Mobile Fuel Filler examination qualifies an individual to inspect and fill motor or mobile fuel containers on vehicles, including recreational vehicles, cars, trucks, and buses. The Motor/Mobile Fuel Dispensing examination does not authorize an individual to fill stationary LNG containers.

(2) Management level examinations:

(A) Category 15 examination qualifies an individual to assemble, repair, install, test, and sell LNG containers, including LNG motor or mobile fuel containers and systems, and to repair transport and transfer systems for use in Texas.

(B) Category 20 examination qualifies an individual to subframe, test, and sell LNG transport containers, test LNG storage containers, install, test, and sell LNG motor or mobile fuel containers and systems, and install and repair transport systems and motor or mobile fuel systems for use in Texas.

(C) Category 25 examination qualifies an individual to transport LNG by transport, including the loading and unloading of LNG.

(D) Category 30 examination qualifies an individual to sell, repair, service, and install stationary containers and LNG systems.

(E) Category 35 examination qualifies an individual to store, sell, transport, and distribute LNG and all other activities included in this section except manufacture, fabrication, assembly, repair, subframing, and testing of LNG containers.

(F) Category 40 examination qualifies an individual to store, sell, and dispense LNG into motor and mobile fuel containers.

(G) Category 45 qualifies an individual to sell and install LNG motor or mobile fuel containers, and sell, repair, and install LNG motor or mobile fuel systems.

(H) Category 50 qualifies an individual to test LNG containers, LNG motor fuel systems or mobile fuel systems, transfer systems, and transport systems for the purpose of determining the safety of the containers or systems for LNG service, including the necessary installation, disconnection, reconnection, testing, and repair of LNG motor fuel systems or mobile fuel systems, transfer systems and transport systems involved in the testing of containers.

(d) Within 15 calendar days of the date an individual takes an examination, AFS shall notify the individual of the results of the examination.

(1) If the examination is graded or reviewed by a testing service, AFS shall notify the individual of the examination results within 14 days of the date AFS receives the results from the testing service.

(2) If the notice of the examination results will be delayed for longer than 90 days after the examination date, AFS shall notify the individual of the reason for the delay before the 90th day. AFS may require a testing service to notify an individual of the individual's examination results.

(e) Failure of any examination shall immediately disqualify the individual from performing any LNG related activities covered by the examination which is failed, except for activities covered by a separate examination which the individual has passed.

(1) Any individual who fails an examination administered by the Commission, at the Austin location, may retake the same examination one additional time during a business day.

(2) Any subsequent examination shall be taken on another business day, unless approved by the AFS director.

(3) An individual who fails an examination may request an analysis of the individual's performance on the examination.

(f) Trainees.

(1) A licensee or ultimate consumer may employ an individual as a trainee for a period not to exceed 45 calendar days without that individual having successfully completed the rules examination, as specified in subsection (b) of this section, subject to the following conditions:

(A) In addition to NFPA 52 §4.2, the trainee shall be directly and individually supervised at all times by an individual who has successfully completed the Commission's rules examination for the areas of work being performed by the trainee.

(B) A trainee who has been in training for a total period of 45 days, in any combination and with any number of employers, shall cease to perform any LNG activities for which the trainee is not currently certified, until the trainee successfully completes the rules examination.

(2) A trainee who fails the rules examination shall immediately cease to perform any LNG activities covered by the examination failed.

(g) Requirements for certificate holder renewal.

(1) In order to maintain active status, certificate holders shall renew their certificate annually as specified in this subsection.

(2) AFS shall notify licensees of any of their employees' pending renewal deadlines and shall notify the individual if not employed by a licensee, in writing, at the address on file with AFS no later than March 15 of a year for the May 31 renewal date of that year.

(3) Certificate holders shall pay the nonrefundable \$25 annual certificate renewal fee to AFS on or before

May 31 of each year. Individuals who hold more than one certificate shall pay only one annual renewal fee.

(A) Failure to pay the nonrefundable annual renewal fee by the deadline shall result in a lapsed certificate.

(i) To renew a lapsed certificate, the individual shall pay the nonrefundable \$25 annual renewal fee plus a nonrefundable \$20 late-filing fee. Failure to do so shall result in the expiration of the certificate.

(ii) If an individual's certificate lapses or expires, that individual shall immediately cease performance of any LNG activities authorized by the certificate.

(iii) If an individual's certificate has been expired for more than two years from May 31 of the year in which the certificate lapsed, that individual shall comply with the requirements of subsection (b) of this section.

(B) Upon receipt of the annual renewal fee and any late-filing fee, AFS shall verify that all applicable requirements have been met. After verification, AFS shall renew and send a copy of the certificate, and the individual may continue or resume LNG activities authorized by that certificate.

The provisions of this §14.2019 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective October 29, 2007, 32 TexReg 7677; amended to be effective February 1, 2008, 33 TexReg 142; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective January 4, 2016, 41 TexReg 239; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2020 Employee Transfers

(a) A licensee or ultimate consumer shall notify AFS by filing LNG Form 2016A and a nonrefundable \$10 fee with AFS, or in lieu of LNG Form 2016A, submit the \$10 fee and a written notice including:

(1) the employee's name as recorded with the Commission; and

(2) the last four digits of the employee's social security number.

(b) Upon approval of the documents submitted under subsection (a) of this section and verification of the individual's active status, AFS will send a copy of the certificate card to the new employer.

The provisions of this §14.2020 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective February 1, 2008, 33 TexReg 142; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2021 Requests for LNG Classes

Requests for Commission staff to conduct an LNG training class for LNG activities under the Commission's

jurisdiction shall be submitted to the AFS training section. The AFS training section may conduct the requested class at its discretion. The nonrefundable fee for an LNG training class is \$250 if no overnight expenses are incurred by AFS, or \$500 if overnight expenses are incurred. AFS may waive the class fee in cases where the Commission recovers the cost of the class from another source, such as a grant.

The provisions of this §14.2021 adopted to be effective June 5, 2006, 31 TexReg 4607; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2025 Designation and Responsibilities of Company Representatives and Operations Supervisors

(a) Each licensee shall have at least one company representative for the license and at least one operations supervisor for each outlet.

(1) A licensee maintaining one or more outlets shall file LNG Form 2001 with AFS listing the physical location of the first outlet and designating the company representative for the license and file LNG Form 2001A designating the physical location and operations supervisor for each additional outlet.

(2) A licensee may have more than one company representative.

(3) An individual may be an operations supervisor at more than one outlet provided that:

(A) each outlet has a designated LNG certified employee responsible for the LNG activities at that outlet;

(B) the certified employee's and/or operations supervisor's telephone number is posted at the outlet on a sign with lettering at least 3/4 inches high, visible and legible during normal business hours; and

(C) the certified employee and/or operations supervisor monitors the telephone number and responds to calls during normal business hours.

(4) The company representative may also serve as operations supervisor for one or more of the licensee's outlets provided that the person meets both the company representative and operations supervisor requirements in this section.

(5) A licensee shall immediately notify AFS in writing upon conclusion of employment, for whatever reason, of its company representative or any operations supervisor and shall at the same time designate a replacement.

(A) A licensee shall cease all LNG activities if it no longer employs a qualified company representative who complies with the Commission's requirements. A licensee shall not resume LNG activities until such time as it has a properly qualified company representative.

(B) A licensee shall cease LNG activities at an outlet if it no longer employs a qualified operations supervisor at that outlet who complies with the Commission's requirements. A licensee shall not resume LNG activities at that outlet until such time as it has a properly qualified operations supervisor.

(b) A company representative shall:

(1) be an owner or employee of the licensed entity;

(2) be the licensee's principal individual in authority and be responsible for actively supervising all LNG activities conducted by the licensee, including all equipment, container, product, and system activities;

(3) have a working knowledge of the licensee's LNG activities to ensure compliance with the rules in this chapter and the Commission's administrative requirements;

(4) pass the appropriate management level rules examination;

(5) be directly responsible for all employees performing their assigned LNG activities, unless an operations supervisor is fulfilling this requirement; and

(6) submit any additional information as deemed necessary by AFS.

(c) In addition to NFPA 52 §§1.4.3 and 4.2, an operations supervisor shall:

(1) be an owner or employee of the licensee;

(2) pass the applicable management level rules examination; and

(3) be directly responsible for actively supervising the LNG activities of the licensee at the designated outlet.

The provisions of this §14.2025 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2028 Franchise Tax Certification and Assumed Name Certificates

(a) An applicant for an original or renewal license or registered manufacturer that is a corporation, limited partnership or limited liability company shall be approved to transact business in Texas by the Texas Comptroller of Public Accounts. The licensee or registered manufacturer shall provide a copy of the current Certificate of Account Status from the Texas Comptroller of Public Accounts.

(b) All applicants for license or manufacturer registrations or their corresponding renewals shall list on LNG Form 2001 or LNG Form 2001M all names under which LNG related activities requiring licensing or registration as a container manufacturer are to be conducted. Any company performing LNG activities under an assumed name ("doing business as" or "DBA") shall file with AFS copies of the assumed name certificates which are required to be filed with the

respective county clerk's office and/or the Secretary of State's Office.

The provisions of this §14.2028 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2029 Changes in Ownership, Form of Dealership, or Name of Dealership

(a) Changes in ownership which require a new license or manufacturer registration.

(1) Transfer of dealership outlet or location by sale, lease, or gift. The purchaser, lessee, or donee of any dealership or outlet shall have a current and valid license or manufacturer registration authorizing the LNG activities to be performed and the dealership or outlet shall apply for and be issued an LNG license or manufacturer registration prior to engaging in any LNG activities which require a license or manufacturer registration. The purchaser, lessee, or donee shall notify AFS by filing a properly completed LNG Form 2001 or LNG Form 2001M prior to engaging in any LNG activities at that dealership or outlet which require an LNG license or manufacturer registration.

(2) Other changes in ownership. A change in members of a partnership occurs upon the death, withdrawal, expulsion, or addition of a partner. Upon the death of a sole proprietor or partner, the dissolution of a corporation or partnership, any changes in the members of a partnership, or other changes in ownership not specifically provided for in this section, an authorized representative of the previously existing dealership or of the successor in interest shall notify AFS in writing and shall immediately cease all LNG activities of the previously existing dealership which require an LNG license or manufacturer registration and shall not resume until AFS issues an LNG license or manufacturer registration to the successor in interest.

(b) Changes in dealership business entity. When a dealership converts from one business entity into a different kind of business entity, the resulting entity shall have a valid license or manufacturer registration before engaging in any LNG activities which require an LNG license or manufacturer registration and shall immediately notify AFS in writing of the change in business entity.

(c) Dealership name change. A licensee or registered manufacturer which changes its name shall not be required to obtain a new license or manufacturer registration but shall immediately notify AFS as follows prior to engaging in any LNG activities under the new name. The licensee or registered manufacturer shall file:

(1) an amended LNG Form 2001 or LNG Form 1001M;

(2) an amended LNG Form 2001A, if outlet names will change;

(3) a copy of the licensee's or registered manufacturer's business documents reflecting the name change, such as amendments to the articles of incorporation or assumed name filings;

(4) certificates of insurance or affidavits in lieu of insurance if permitted by §14.2034 of this title (relating to Self-Insurance Requirements) or both; and

(5) any other forms required by AFS.

(d) Company representatives and operations supervisors. In all changes of ownership, form of dealership, or name of dealership, the resulting entity shall have a properly certified company representative for the license and an operations supervisor, if required, at each outlet and as specified in §14.2025 of this title (relating to Designation and Responsibilities of Company Representative and Operations Supervisors).

(e) In the event of a death of a sole proprietor or partner, the AFS director may grant a temporary exception not to exceed 30 calendar days to the examination requirement for company representatives and operations supervisors. An applicant for a temporary exception shall comply with applicable safety requirements.

The provisions of this §14.2029 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2031 Insurance Requirements

(a) A licensee or registered manufacturer shall not perform any activity authorized by its license or registration under §14.2013 of this title (relating to License Categories, Container Manufacturer Registration, Fees, and Application for Licenses, Manufacturer Registrations and Renewals) unless insurance coverage required by this section is in effect. LNG licensees, registered manufacturers, or applicants for license or manufacturer registration shall comply with the minimum amounts of insurance specified in Table 1 of this section or with the self-insurance requirements in §14.2034 of this title (relating to Self-Insurance Requirements). Registered manufacturers are not eligible for self-insurance. Before AFS grants or renews a manufacturer registration, an applicant for a manufacturer registration shall submit the documents required by paragraph (1) of this subsection. Before AFS grants or renews a license, an applicant for license shall submit either:

(1) an insurance AcordTM form or any other form approved by the Texas Department of Insurance that has been prepared and signed by the insurance carrier and containing all required information. The forms must be issued by an insurance company authorized or accepted by the Texas Department of Insurance; or

(2) properly completed documents demonstrating the applicant's compliance with the self insurance requirements in §14.2034 of this title.

Figure: 16 TAC §14.2031(a)(2) [*See Figures at the end of this document.*]

(b) Each licensee shall file LNG Form 2999 or other written notice with AFS at least 30 calendar days before the cancellation of any insurance coverage. The 30-day period commences on the date the notice is actually received by AFS.

(c) A licensee or applicant for a license that does not employ or contemplate employing any employee to be engaged in LNG-related activities in Texas may file LNG Form 2996B in lieu of filing a workers' compensation insurance form, including employers' liability insurance, or alternative accident and health insurance coverage. The licensee or applicant for a license shall file the required insurance form with AFS before hiring any person as an employee engaged in LNG-related work.

(d) A licensee, applicant for a license, or an ultimate consumer that does not operate or contemplate operating a motor vehicle equipped with an LNG cargo container or does not transport or contemplate transporting LNG by vehicle in any manner may file LNG Form 2997B in lieu of filing motor vehicle bodily injury and property damage insurance form, if this certificate is not otherwise required. The licensee or applicant for a license shall file the required insurance form with AFS before operating a motor vehicle equipped with an LNG cargo container or transporting LNG by vehicle in any manner.

(e) A licensee, registered manufacturer, or applicant for a license or manufacturer registration that does not engage in or contemplate engaging in any LNG activities that would be covered by completed operations or products liability insurance, or both, may file LNG Form 2998B in lieu of filing a completed operations and/or products liability insurance form. The licensee, registered manufacturer, or applicant for a license or manufacturer registration shall file the required insurance form with AFS before engaging in any activities that require completed operations and/or products liability insurance.

(f) A licensee, registered manufacturer, or applicant for a license or manufacturer registration that does not engage in or contemplate engaging in any activities that would be covered by general liability insurance may file LNG Form 2998B in lieu of filing a general liability insurance form. The licensee, registered manufacturer, or applicant for a license or manufacturer registration shall file the required insurance form with AFS before engaging in any activities that require general liability insurance.

(g) A licensee may protect its employees by obtaining accident and health insurance coverage from an

insurance company authorized to write such policies in this state as an alternative to workers' compensation coverage. The alternative coverage shall be in the amounts specified in Table 1 of this section.

(h) Each licensee or registered manufacturer shall promptly notify AFS of any change in insurance coverage or insurance carrier by filing a revised AcordTM form; other form approved by the Texas Department of Insurance that has been prepared and signed by the insurance carrier containing all required information; or documents demonstrating the applicant's compliance with the self-insurance requirements set forth in §14.2034 of this title. Failure to promptly notify AFS of a change in the status of insurance coverage or insurance carrier may result in an enforcement action and an administrative penalty.

(i) A state agency or institution, county, municipality, school district, or other governmental subdivision may meet the requirements of this section for worker's compensation, general liability and/or motor vehicle liability insurance. The requirements may be met by submitting evidence of self-insurance that complies with the requirements of §14.2034 of this title. LNG Form 2995 may be filed as evidence of self-insurance, if self-insurance is permitted by the Texas Labor Code, Title 5, Subtitle C, and Texas Natural Resources Code, §116.036.

The provisions of this §14.2031 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective November 12, 2007, 32 TexReg 8128; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2034 Self-Insurance Requirements

(a) This section applies to a licensee's general liability insurance, including premises and operations coverage. This section shall not apply to worker's compensation insurance, including employer's liability coverage.

(b) A licensee applying for self-insurance shall file LNG Form 2027 with AFS along with materials which will allow AFS to determine whether:

(1) the net worth of the applicant is adequate in relationship to the size of operations and the extent of its request for self-insurance authority. The applicant shall demonstrate that it will maintain a net worth sufficient to ensure that it will meet its statutory obligations to the public to pay all claims relating to general liability, including premises and operations coverage; and

(2) the applicant has a sound self-insurance program. The applicant shall demonstrate that it has established and shall maintain an insurance program that will protect the public against all claims involving LNG activities to the same extent as the minimum limits specified in Table 1 of §14.2031 of this title (relating to Insurance

Requirements). Such a program may include but not be limited to one or more of the following: reserves; irrevocable letter of credit, as specified in subsection (h) of this section; sinking funds; third-party financial guarantees; parent company or affiliate sureties; excess insurance coverage; or other similar arrangements.

(c) AFS may consider applications for approval of other securities or agreements, or may require any other information which may be necessary to ensure the application satisfies that the security or agreement offered will afford adequate security for protection of the public.

(d) AFS may approve a licensee's application for self-insurance if the licensee demonstrates to AFS its ability to satisfy its obligations for the minimum insurance requirements specified in §14.2031 of this title. AFS may approve the licensee as a self-insurer for a specific time period or for an indefinite period until further action is taken by AFS.

(e) The applicant shall file semi-annual reports and annual statements with the applicant's financial status and status of its self-insurance program with AFS during the period of its self-insurer status by March 10 and September 10 of each year.

(f) After ten days' notice to the applicant, AFS may require the applicant to appear and demonstrate that it continues to have adequate financial resources to pay all general liability, including premises and operations coverage claims, and that it remains in compliance with the other requirements of this section. If the applicant fails to do so, AFS shall revoke its self-insurer status and may order that the licensee is ineligible for self-insurance in the future.

(g) A state agency or institution, county, municipality, school district, or other governmental subdivision may meet the requirements for workers' compensation coverage or general liability and/or motor vehicle liability insurance if permitted by the Texas Workers' Compensation Act, Texas Labor Code, Title 5, Subtitle A; and Texas Natural Resources Code, §116.036, by submitting LNG Form 2995 to AFS.

(h) Letters of credit filed with LNG Form 2028 shall:

(1) be issued by a federally chartered and federally insured bank authorized to do business in the United States;

(2) be irrevocable during their terms;

(3) be payable to the Commission in part or in full upon demand and receipt from the Commission of a notice of forfeiture; and

(4) not apply to the licensing requirements for worker's compensation insurance, including employer's liability coverage.

The provisions of this §14.2034 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective

June 5, 2006, 31 TexReg 4607; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2040 Filings Required for Stationary LNG Installations

(a) General requirements. No LNG container shall be placed into LNG service or an installation operated or used in LNG service until the requirements of this section, as applicable, are met and the facility is in compliance with all applicable rules in this chapter and statutes. LNG systems under the jurisdiction of DOT Safety regulations in 49 CFR Part 193 shall comply with Chapter 8 of this title (relating to Pipeline Safety Regulations) prior to implementation of service.

(b) Commercial installations with an aggregate water capacity of less than 15,540 gallons.

(1) Within 10 calendar days following the completion of a commercial container installation, the licensee shall submit LNG Form 2501 to AFS stating:

(A) the installation fully complies with the statutes and the rules in this chapter;

(B) all necessary Commission licenses, certificates, and permits have been issued; and

(C) the date the installation has been placed into LNG service.

(2) The licensee shall pay a nonrefundable fee of \$10 for each LNG container listed on the form.

(A) AFS shall review the submitted information and shall notify the applicant in writing of any deficiencies.

(B) A nonrefundable \$20 fee shall be required for any resubmission.

(3) LNG activities may commence prior to the submission of LNG Form 2501 if the facility is in compliance with the rules in this chapter.

(c) Aggregate water capacity of 15,540 gallons or more.

(1) For stationary installations with an aggregate water capacity of 15,540 gallons or more, the licensee shall submit the following information to AFS at least 30 days prior to construction:

(A) LNG Form 2500;

(B) LNG Form 2500A with all applicable documents;

(C) a plat drawing from the appropriate appraisal district identifying:

(i) the facility's property boundaries;

(ii) the names of all real property owners within 500 feet; and

(iii) a 500-foot radius measured from the proposed container location on the site;

(D) a site plan of sufficient scale that identifies:

(i) fire protection which complies with §14.2131 of this title (relating to Fire Protection);

(ii) the location, types, and size of all LNG containers already on site or proposed to be on site,

(iii) the distances from the container(s) to property lines and buildings;

(iv) the location of LNG dispensers and their distance from the proposed container (the nearest container if more than one), property lines, buildings on the same property, roadways, driveways, and railroad track centerlines;

(v) any known potential hazards;

(vi) the location of any sources of ignition;

(vii) the location of other types of aboveground fuel containers, the type of fuel stored, and the distance to LNG containers and dispensing equipment;

(viii) the location of other types of fuel dispensers, the type of fuel dispensed, and the distance to LNG containers and dispensing equipment;

(E) a non-refundable fee of \$50 for the initial application or a nonrefundable fee of \$30 for any resubmission; and

(F) if the facility is accessed by cargo tanks from a public highway under the jurisdiction of the Texas Department of Transportation, a statement or permit from the Texas Department of Transportation showing that the driveway is of proper design and construction to allow safe entry and egress of the LNG cargo tanks.

(2) Site plans shall include a scale or legend indicating the distances or measurements described and printed copies of plans with a legend must be printed to the correct size for the legend or distance provided.

(3) Plans and specifications submitted under paragraph (1)(D) of this subsection shall be sealed by a registered professional engineer licensed and in good standing to practice in the State of Texas and who is qualified in the area of the design and construction of LNG facilities.

(4) If the applicant modifies the plans and specifications before tentative or interim approval is granted by AFS or the Commission, respectively, the plans and specifications shall be resealed by a registered professional engineer licensed to practice in the State of Texas and resubmitted to AFS.

(5) Prior to the installation of any individual LNG container, AFS shall determine whether the proposed installation constitutes a danger to the public health, safety, and welfare. The applicant shall provide additional information if requested by AFS.

(A) AFS may impose restrictions or conditions on the proposed LNG installation based on one or more of the following factors:

(i) nature and density of the population or occupancy of structures within 500 feet of the proposed or existing container locations;

(ii) nature of use of property located within 500 feet of the LNG installation;

(iii) type of activities on the installation's premises;

(iv) potential sources of ignition that might affect an LNG leak;

(v) existence of dangerous or combustible materials in the area that might be affected by an emergency situation;

(vi) any known potential hazards or other factors material to the public health, safety, and welfare.

(B) The Commission does not consider public health, safety, and welfare to include such factors as the value of property adjacent to the installation, the esthetics of the proposed installation, or similar considerations.

(6) AFS shall notify the applicant as follows:

(A) If AFS administratively approves the installation, AFS shall notify the applicant in writing within 21 business days.

(B) If the application is administratively denied:

(i) AFS shall notify the applicant in writing, specifying the deficiencies, within 21 business days.

(ii) To proceed with the application, the applicant shall modify the submission and resubmit it for approval or request a hearing on the matter in accordance with Chapter 1 of this title (relating to Practice and Procedure). The subject of the submission shall not be operated or used in LNG service in this state until approved by the Commission following a hearing.

(iii) When AFS notifies an applicant of an incomplete LNG Form 2500 or LNG Form 2500A, the applicant has 120 calendar days from the date of the notification letter to resubmit the corrected application or the application will expire. After 120 days, the applicant shall file a new application to reactivate AFS review of the proposed installation.

(iv) The applicant may request in writing an extension of the 120-day time period. The request shall be postmarked or physically delivered to AFS before the expiration date. AFS may extend the application period for up to an additional 90 days.

(7) The licensee shall not commence construction until notice of approval is received from AFS.

(A) If the subject installation is not completed within one year from the date AFS has granted construction approval, the application will expire.

(B) Prior to the date of expiration, the applicant may request in writing an extension of time of up to 90 days to complete the installation.

(C) If the applicant fails to request an extension of time within the time period prescribed in this paragraph,

the applicant will be required to submit a new application before the installation can be completed.

(8) The applicant shall submit to AFS written notice of completed construction and the Commission shall complete the field inspection as specified in §14.2042 of this title (relating to Physical Inspection of Stationary Installations).

(9) The container may be placed into service after AFS has completed the inspection and determines the installation meets all safety requirements.

(10) The proposed installation shall not be operated or used in LNG service until approved by AFS.

(11) A licensee shall not be required to submit LNG Form 2500, LNG Form 2500A, or a site plan prior to the installation of pull-away devices, or emergency shutoff valves (ESV's), or when maintenance and improvements are being made to the piping system at an existing LNG installation.

(12) If a licensee is replacing a container with a container of the same or less overall diameter and length or height, and is installing the replacement container in the identical location of the existing container, the licensee shall file LNG Form 2500.

(d) AFS may request LNG Form 2008, a Manufacturer's Data Report, or any other documentation or information pertinent to the installation in order to determine compliance with the rules in this chapter.

(e) For an installation that is a licensee outlet, the operating licensee shall comply with §14.2014 of this title (relating to Applications for License or Manufacturer Registration (New and Renewal)) within 30 days of installation.

The provisions of this §14.2040 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2041 Notice of, Objections to, and Hearings on Proposed Stationary LNG Installations

(a) Notice of proposed stationary LNG installations.

(1) For a proposed installation with an aggregate water capacity of 15,540 gallons or more, an applicant shall send a copy of the filings required under §14.2040 of this title (relating to Filings Required for Stationary LNG Installations) by certified mail, return receipt requested or otherwise delivered, to all owners of real property situated within 500 feet of any proposed container location at the same time the originals are filed with AFS.

(A) AFS shall consider the notice to be sufficient when the applicant has provided evidence that copies of a complete application have been mailed or otherwise delivered to all real property owners.

(B) The applicant or licensee may obtain names and addresses of owners from current county tax rolls.

(2) An applicant shall notify owners of real property situated within 500 feet of the proposed container location if:

(A) the current aggregate water capacity of the installation is more than doubled in a 12-month period; or

(B) the resulting aggregate water capacity of the installation will be more than 214,348 gallons.

(b) Objections to proposed stationary LNG installations.

(1) Each owner of real property receiving notice of a proposed installation pursuant to subsection (a) of this section shall have 18 calendar days from the date the notice is postmarked to file a written objection with AFS using the LNG Form 2500A sent to them by the applicant. An objection is considered timely filed when it is actually received by the Commission.

(A) AFS shall review all objections within 10 business days of receipt.

(B) An objection shall be in writing and shall include a statement of facts showing that the proposed installation:

(i) does not comply with the rules in this chapter, specifying which rules are violated;

(ii) does not comply with the statutes of the State of Texas, specifying which statutes are violated; or

(iii) constitutes a danger to the public health, safety, and welfare, specifying the exact nature of the danger. For purposes of this section, "danger" means an imminent threat or an unreasonable risk of bodily harm, but does not mean diminished property or esthetic values in the area.

(2) Upon review of the objection, AFS shall:

(A) request a public hearing as specified in §14.2016 of this title (relating to Penalty Guidelines and Enforcement); or

(B) notify the objecting party in writing within 10 business days of receipt requesting further information for clarification and stating why the objection is not valid. The objecting entity shall have 10 calendar days from the postmark of AFS' letter to file its corrected objection. Clarification of incomplete or non-substantive objections shall be limited to two opportunities. If new objections are raised in the objecting party's clarification, the new objections shall be limited to one notice of correction.

(c) Temporary installations which are used during peak demand times such as during cold weather or emergencies are not required to comply with these notice requirements. However, a sign shall be installed at the site and brochures or other similar means of notification

shall be available at the site to advise the public of the need and use for the temporary installation.

(d) Hearings on stationary LNG installations.

(1) Reason for hearing. AFS shall call a public hearing if:

(A) AFS receives an objection that complies with subsection (b) of this section; or

(B) AFS determines that a hearing is necessary to investigate the impact of the installation.

(2) Notice of public hearing. The Hearings Division shall give notice of the public hearing at least 21 calendar days prior to the date of the hearing to the applicant and to all real property owners who were required to receive notice of the proposed installation under subsection (a) of this section.

(3) Procedure at hearing. The public hearing shall be conducted pursuant to Chapter 1 of this title (relating to Practice and Procedure).

(4) Hearing findings. If the Railroad Commission finds after a public hearing that the proposed installation complies with the rules in this chapter and the statutes of the State of Texas, and does not constitute a danger to the public health, safety, and welfare, the Railroad Commission shall issue an interim approval order. The construction of the installation and the setting of the container shall not proceed until the applicant has received written notification of the interim approval order. Any interim approval order shall include a provision that such approval may be suspended or revoked if:

(A) the applicant has introduced LNG into the system prior to final approval;

(B) a physical inspection of the installation indicates that it is not installed in compliance with the submitted plat drawing for the installation, the rules in this chapter, or the statutes of the State of Texas; or

(C) the installation constitutes a danger to the public health, safety, and welfare.

The provisions of this §14.2041 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2042 Physical Inspection of Stationary Installations

(a) Aggregate water capacity of 15,540 gallons or more. The applicant shall notify AFS in writing when the installation is ready for inspection.

(1) If any non-compliance items are cited at the time of AFS' initial inspection, the installation shall not be placed in LNG service until the non-compliance items are corrected, as determined at the time of inspection depending on the nature of the non-compliance items cited.

(2) If AFS does not physically inspect the facility within 30 calendar days of receipt of notice that the

facility is ready for inspection, the facility may operate conditionally until the initial inspection is completed.

(b) Aggregate water capacity of less than 15,540 gallons. After receipt of LNG Form 2501, AFS shall conduct an inspection as soon as possible to verify the installation described complies with the rules in this chapter. The facility may be operated prior to inspection if the facility fully complies with the rules in this chapter. If the initial inspection at a commercial installation results in the citation of non-compliance items, AFS may require that the subject container, including any piping, appliances, appurtenances, or equipment connected to it, be immediately removed from LNG service until the non-compliance items are corrected.

(c) Material variances. If AFS determines the completed installation varies materially from the application originally accepted, correction of the variance and notification to AFS or resubmission of the application is required. The review of such resubmitted application shall comply with §14.2040 of this title (relating to Filings Required for Stationary LNG Installations).

(d) In the event an applicant has requested an inspection and AFS' inspection identifies non-compliance items requiring modifications by the applicant, AFS may assess an inspection fee to cover the costs associated with any additional inspection, including mileage and per diem rates set by the legislature.

The provisions of this §14.2042 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2043 Temporary Installations

(a) Temporary installations shall comply with the following requirements:

(1) Prior to the completion of a temporary installation with an individual or aggregate water capacity of 15,540 gallons or less, the licensee shall file LNG Form 2501 with AFS, and include proof of the local fire marshal's approval if the installation is within such jurisdiction.

(2) Prior to the completion of a temporary installation with an individual or aggregate water capacity of 15,541 gallons or more, the licensee shall file LNG Form 2500, including plans and specifications, and proof of the local fire marshal's approval if the installation is with such jurisdiction.

(b) Temporary installations shall be limited to one year from the date of installation. If the temporary installation is expected to remain in service for more than one year, the licensee responsible for the temporary installation shall inform AFS at least 30 days prior to the expiration of the one-year period.

(c) Temporary installations shall be protected by guardrailings as specified in §14.2101(c) of this title

(relating to System Protection Requirements) unless otherwise approved by AFS.

(d) Temporary installations shall comply with the electrical requirements specified in Subchapter F of this chapter (relating to Instrumentation and Electrical Services).

(e) Temporary installations shall be mounted on a secure surface, not to include bare earth.

(f) Temporary installations are not required to have impounding areas.

(g) AFS may inspect temporary installations for compliance with this section.

(h) Any temporary installation subject to the jurisdiction of United States Department of Transportation under 49 Code of Federal Regulations, Part 193, shall comply with the applicable DOT rules and any requirements of AFS.

(i) Pursuant to §14.2041(c) of this title (relating to Notice of, Objections to, and Hearings on Proposed Stationary LNG Installations), temporary installations are not required to comply with the notification requirements in §14.2041 of this title.

The provisions of this §14.2043 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2046 School Bus, Public Transportation, Mass Transit, and Special Transit Vehicle Installations and Inspections

(a) After the manufacture of or the conversion to an LNG system on any vehicle to be used in Texas as a school bus, mass transit, public transportation, or special transit vehicle, the manufacturer, licensee, or ultimate consumer making the installation or conversion shall notify AFS in writing on LNG Form 2503 that the applicable LNG-powered vehicles are ready for a complete inspection to determine compliance with the rules in this chapter.

(b) AFS shall conduct the inspection within a reasonable time to ensure the vehicles are operating in compliance with the rules in this chapter.

(1) If AFS' initial complete inspection finds that the vehicle is in compliance with the rules in this chapter and the statutes, the vehicle may be placed into LNG service. For fleet installations of identical design, an initial inspection shall be conducted prior to the operation of the first vehicle, and subsequent vehicles of the same design may be placed into service without prior inspections.

(2) If violations exist at the time of the initial inspection, the vehicle shall not be placed into LNG service and the manufacturer, licensee, or ultimate consumer making the installation or conversion shall

correct the violations. The manufacturer, licensee, or ultimate consumer shall file with AFS documentation demonstrating compliance with the rules in this chapter, or AFS shall conduct another complete inspection before the vehicle may be placed into LNG service.

(3) For public transportation vehicles only, if AFS does not conduct the initial inspection within 30 business days of receipt of the LNG Form 2503, the vehicle may be operated in LNG service if it complies with the rules in this chapter.

(c) The manufacturer, licensee, or ultimate consumer making the installation or conversion shall be responsible for compliance with the rules in this chapter, statutes, and any other local, state, or federal requirements.

(d) If the requested AFS inspection identifies violations requiring modifications by the manufacturer, licensee, or ultimate consumer, AFS shall consider the assessment of an inspection fee to cover the costs associated with any additional inspection, including mileage and per diem rates set by the legislature.

The provisions of this §14.2046 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2049 Report of LNG Incident/Accident

(a) At the earliest practical moment or within two hours following discovery, a licensee owning, operating, or servicing equipment or an installation shall notify AFS by telephone of any incident or accident involving LNG which:

(1) involves a single release of LNG during or following LNG transfer or during container transportation. Any loss of LNG which is less than 1.0% of the gross amount delivered, stored, or withdrawn need not be reported. Any loss occurring as a result of a pullaway shall be reported;

(2) caused an estimated damage to the property of the operator, others, or both totaling \$50,000 or more, including gas loss;

(3) caused a death or any personal injury requiring hospitalization;

(4) required taking an operating facility out of service;

(5) resulted in an unintentional ignition of LNG requiring an emergency response;

(6) involved the LNG installation on any vehicle propelled by or transporting LNG;

(7) could reasonably be judged as significant because of rerouting of traffic, evacuation of buildings, or media interest, even though it does not meet paragraphs (1) - (6) of this subsection; or

(8) is required to be reported to any other state or federal agency (such as the Texas Department of Public Safety or U.S. Department of Transportation).

(b) Any transport unit required to be registered with AFS in accordance with §14.2704 of this title (relating to Registration and Transfer of LNG Transports) which is involved in an accident where there is damage to the tank, piping appurtenances, or any release of LNG resulting from the accident shall be reported to AFS, regardless of the accident location. Any LNG-powered motor vehicle used for school transportation or mass transit, including any state-owned vehicle, which is involved in an accident resulting in a release of LNG or damage to LNG equipment shall be reported to AFS, regardless of the accident location.

(c) The telephonic notice required by this section shall be made to the Railroad Commission's 24-hour emergency line at (512) 463-6788 or (844) 773-0305 and shall include the following:

- (1) date and time of the incident;
- (2) name of the reporting operator;
- (3) phone number of the operator;
- (4) location of the leak or incident;
- (5) personal injuries and/or fatalities;
- (6) whether fire, explosion, or leak has occurred;
- (7) status of leak or other immediate hazards;
- (8) other significant facts relevant to the incident; and
- (9) whether immediate assistance from AFS is requested.

(d) Following the initial telephone report, the licensee who made the telephonic report shall submit LNG Form 2020 to AFS. The form shall be postmarked within 14 calendar days of the date of initial notification to AFS, or within five business days of receipt of the fire department report, whichever occurs first, unless AFS grants authorization for a longer period of time when additional investigation or information is necessary.

(e) Within five business days of receipt, AFS shall review LNG Form 2020 and notify in writing the person submitting LNG Form 2020 if the report is incomplete and specify in detail what information is lacking or needed. Incomplete reports may delay the resumption of LNG activities at the involved location.

The provisions of this §14.2049 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2052 Application for an Exception to a Safety Rule

(a) In addition to NFPA 52 §4.3 and for any alternate design used for installations subject to NFPA 59A requirements, a person may apply for an exception to the

provisions of this chapter by filing LNG Form 2025 along with supporting documentation and a \$50 filing fee with AFS.

(b) The application shall contain the following:

(1) the section number of any rules for which an exception is being requested;

(2) the type of relief desired, including the exception requested and any information which may assist AFS in comprehending the requested exception;

(3) a concise statement of facts which support the applicant's request for the exception, such as the reason for the exception, the safety aspects of the exception, and the social and/or economic impact of the exception;

(4) for all stationary installations, regardless of size, a description of the acreage and/or address upon which the subject of the exception will be located. The description shall be in writing and shall include:

(A) a site drawing;

(B) sufficient identification of the site so that determination of property boundaries may be made;

(C) a plat from the applicable appraisal district indicating the ownership of the land; and

(D) the legal authority under which the applicant, if not the owner, is permitted occupancy;

(5) the name, business address, and telephone number of the applicant and of the authorized agent, if any; and

(6) a list of the names and addresses of all interested entities as defined in subsection (c) of this section.

(c) Notice of the application for an exception to a safety rule shall include the following items and procedures:

(1) The applicant shall send a copy of LNG Form 2025 by certified mail, return receipt requested, to all affected entities as specified in paragraphs (2), (3), and (4) of this subsection on the same date on which the form is filed with or sent to AFS. The applicant shall include a notice to the affected entities that any objection shall be filed with AFS within 18 calendar days of the postmark. The applicant shall file all return receipts with AFS as proof of notice.

(2) If an exception is requested for a stationary site, the affected entities to whom the applicant shall give notice shall include but not be limited to:

(A) persons and businesses owning or occupying property adjacent to the site;

(B) the city council or fire marshal, if the site is within municipal limits; and

(C) the county Commission, if the site is not within any municipal limits.

(3) If an exception is requested for a non-stationary installation, affected entities to whom the applicant shall give notice shall include but not be limited to:

(A) the Texas Department of Public Safety; and

(B) all processed gas loading and unloading facilities used by the applicant.

(4) AFS may require an applicant to give notice to persons in addition to those listed in paragraphs (2) and (3) of this subsection if doing so will not prejudice the rights of any entity.

(d) Objections to the requested exception shall be in writing, filed with AFS within 18 calendar days of the postmark of the application, and shall be based on facts that tend to demonstrate that, as proposed, the exception would have an adverse effect on public health, safety, or welfare. AFS may decline to consider objections based solely on claims of diminished property or esthetic values in the area.

(e) AFS shall review the application within 21 business days of receipt of the application.

(1) If AFS does not receive any objections from any affected entities as defined in subsection (c) of this section, the AFS director may grant administratively the exception if the AFS director determines that the installation, as proposed, does not adversely affect the health or safety of the public. AFS shall notify the applicant in writing by the end of the 21-day review period and, if approved, the installation shall be installed within one year from the date of approval. AFS shall also advise the applicant at the end of the objection period as to whether any objections were received and whether the applicant may proceed.

(2) If the AFS director denies the exception, AFS shall notify the applicant, in writing, outlining the reasons and any specific deficiencies.

(3) The applicant may modify the application to correct the deficiencies and resubmit the application along with a \$30 resubmission fee, or may request a hearing on the matter.

(A) To be granted a hearing, the applicant shall file a written request for hearing within 14 calendar days of receiving notice of the administrative denial.

(B) A hearing shall be held when AFS receives an objection, as set out in subsection (d) of this section from any affected entity or when the applicant requests one following an administrative denial. AFS shall forward the request to the Hearing Division.

(f) Applicants intentionally submitting incorrect or misleading information are subject to penalties as set out in Texas Natural Resources Code, §116.142, and the filing of incorrect or misleading information shall be grounds for dismissing the application with prejudice.

(g) After hearing, exceptions to this chapter may be granted by the Commission if the Commission finds that granting the exception for the installation, as proposed, will not adversely affect the safety of the public.

(h) A request for an exception shall expire if it is inactive for three months after the date of the letter in

which the applicant was notified by AFS of an incomplete request. Additional time may be granted upon request if needed to generate engineering results or calculations. The applicant may restart the application process.

The provisions of this §14.2052 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

SUBCHAPTER B. GENERAL RULES FOR ALL STATIONARY LNG INSTALLATIONS

§14.2101 System Protection Requirements

(a) In addition to NFPA 59A §§12.9.3 and 13.2.3, this section applies to the protection from tampering and damage of stationary LNG installations, including LNG transfer systems, dispensing systems, and storage containers.

(b) Fencing at LNG stationary installations shall comply with the following:

(1) Fencing material shall be solid construction of noncombustible material or chain link type with wire at least 12 1/2 American wire gauge in size.

(2) Fencing shall be at least six feet in height at all points. Fencing may be five feet in height when topped with at least three strands of barbed wire, with the strands four inches apart.

(3) Uprights, braces, and cornerposts of the fence shall be composed of noncombustible material.

(4) Uprights, braces, and cornerposts of the fence shall be anchored in concrete a minimum of 12 inches below the ground.

(5) All fenced enclosures shall have at least one gate suitable for ingress and egress. All gates shall be locked whenever the area enclosed is unattended.

(6) A minimum clearance of two feet shall be maintained between the fencing and any part of an LNG transfer system, dispensing system, or storage container that is part of a stationary installation.

(7) Fencing which is located more than 25 feet from any point of the LNG transfer system, dispensing system, or storage containers shall be designated as perimeter fencing. If the LNG transfer system, dispensing system, or storage container is located inside perimeter fencing and is subject to vehicular traffic, it shall be protected against damage according to subsection (c) of this section.

(8) The storage and compression area must be completely enclosed by fencing.

(9) Where fencing is not used to protect the installation, then valve locks, a means of locking the

electric control for the compressors, or other suitable means shall be provided to prevent unauthorized withdrawal of CNG.

(c) Guardrails at LNG stationary installations shall comply with the following:

(1) Vertical supports for guardrails shall be at least four-inch concrete-filled schedule 40 steel pipe or material with equal or greater strength. The vertical supports shall be capped on top, anchored in concrete at least 36 inches below the ground, and rise at least 30 inches above the ground. Supports shall be spaced four feet apart or less.

(2) The top of the horizontal guardrailing shall be secured to the vertical supports at least 30 inches above the ground. The horizontal guardrailing shall be at least three-inch Schedule 40 steel pipe or other material with equal or greater strength. The horizontal guardrailing shall be welded or bolted to the vertical supports with bolts of sufficient size and strength to prevent damage to the protected equipment under normal conditions including the nature of the traffic to which the protected equipment is subjected.

(3) Openings in the horizontal guardrailing shall not exceed 36 inches. Only one opening is allowed on each side of the guardrailing. A means of temporarily removing the horizontal guardrailing and/or vertical supports to facilitate the handling of heavy equipment may be incorporated into the horizontal guardrailing and vertical supports. In no case shall the protection provided by the horizontal guardrailing and vertical supports be decreased. Transfer hoses from the bulkhead shall be routed only over the horizontal guardrailing or through the 45-degree opening in front of the bulkhead.

(4) A minimum clearance of 24 inches shall be maintained between the railing and any part of an LNG transfer system, dispensing system, or storage container.

(d) Protection shall be maintained in good condition at all times in accordance with the standards set forth in this section. AFS may impose additional requirements to ensure the safety of personnel and the general public.

(e) The operating end of each container, including the material handling equipment and the entire dispensing system, and any part of the LNG transfer system, dispensing system, or storage container which is exposed to collision damage or vehicular traffic shall be protected from this type of damage.

(f) Stationary LNG installations shall comply with the sign and lettering requirements specified in Table 1 of this section and the following:

Figure: 16 TAC §14.2101(f) [See Figures at the end of this document.]

(1) Unless colors are specified, lettering shall be a color in sharp contrast to the background color of the sign and shall be easily readable.

(2) Signs shall be visible from each point of transfer;

(3) Signs on emergency shutdown devices shall be permanently affixed;

(4) Signs bearing the words, "NATURAL GAS," shall be located on all operating sides of dispensers; and

(5) Signs indicating the licensee's name shall be located at either the vehicle dispenser or refueling area, or at the loading or unloading area.

(g) At least two monitoring sensors shall be installed at all stationary installations to detect hazardous levels of LNG. Sensors shall activate at not more than 25% of the lower flammability limit (LFL) of LNG. If the level exceeds one-fourth of the LFL, the sensor shall either shut the system down or activate an audible and visual alarm. The number of sensors to be installed shall comply with the area of coverage for each sensor and the size of the installation. The sensors shall be installed and maintained in accordance with the manufacturer's instructions.

The provisions of this §14.2101 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2102 Installation and Maintenance

All LNG containers, valves, dispensers, accessories, piping, transfer equipment, and gas utilization equipment shall be installed and maintained in safe working order according to the manufacturer's instructions and the rules in this chapter. If any one of the LNG storage containers, valves, dispensers, accessories, piping, transfer equipment, gas utilization equipment, and appliances is not in safe working order, AFS may require that the installation be immediately removed from LNG service and not be operated until the necessary repairs have been made.

The provisions of this §14.2102 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2104 Testing of Containers

(a) In order to determine the safety of a container, AFS may require that the licensee or operator of the container submit a copy of the manufacturer's data report on that container. AFS may also require that the container and assembly be tested by a Category 15, 20, or 50 licensee and a comprehensive report on the findings submitted to AFS. This requirement may be applied even though an acceptable LNG Form 2023 has been received.

(b) Any stationary LNG container previously in LNG service brought into Texas or which has not been subject to continuous LNG pressure or inert gas pressure shall be inspected by a currently licensed Category 15, 20, or 50 licensee to determine if the container shall be leak-tested or re-certified. A copy of the inspector's written

report shall be filed with AFS. The container shall not be used until the appropriate leak test or certification process determines the container is safe for LNG service.

(c) Any stationary LNG container which has been subject to continuous LNG or inert gas pressure may not require testing prior to installation provided the licensee or operator of the container files LNG Form 2023 at the time LNG Form 2500 is submitted for any facility requiring submission of a site plan in accordance with §14.2040 of this title (relating to Filings for Stationary LNG Installations).

(d) AFS may remove a container from LNG service or require ASME acceptance of a container at any time if AFS determines that the nameplate is loose, unreadable, or detached, or if it appears to be tampered with or damaged in any way and does not contain at a minimum the items specified in subsection (a) of this section.

The provisions of this §14.2104 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2110 LNG Container Installation Distance Requirements

(a) Operating industrial trucks with only one container mounted on each truck may be stored inside buildings. Extra containers shall not be stored inside buildings. Operating industrial trucks shall be stored in an area that will reduce the likelihood of an accident. Service valves shall be closed whenever a truck with a mounted container is stored. A venting system shall be used any time a vehicle not in operation is inside a building to allow safe relief valve venting.

(b) In addition to NFPA 52 §13.5, stationary LNG containers and piping shall not be placed in the area directly beneath or above an electric transmission, distribution, or customer service line and the area six feet to either side of that line. If this distance is not adequate to prevent the line and the associated voltage from contacting the LNG container in the event of breakage of any conductor, then other suitable means of protection designed and constructed to prevent such contact with the container may be used if approval is received from AFS. The request for approval shall be in writing and shall specify the manner in which the container will be protected from contact, including specifications for the materials to be used. If AFS does not approve the proposed protection, then the container shall be located a sufficient distance from the line to prevent such contact.

(c) When installed for use, containers shall not be stacked one upon another except when designed by the manufacturer for stacking.

(d) Welding, cutting, and similar operations shall be prohibited within 25 feet of the container and the transfer area during transfer operations and shall be conducted only as specifically authorized in a manner to prevent accidental ignition of LNG or flammable fluids.

The provisions of this §14.2110 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2116 Venting of LNG

Venting of LNG is prohibited as part of routine activities, except for the following:

(1) as provided for in §14.2119 of this title (relating to Transport Vehicle Loading and Unloading Facilities and Procedures); and

(2) through a trycock installed on a stationary storage tank during filling of the tank.

The provisions of this §14.2116 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2119 Transport Vehicle Loading and Unloading Facilities and Procedures

In addition to NFPA 59A §11.6, transport vehicle loading and unloading facilities shall meet the following requirements:

(1) Transfer piping, pumps, and compressors shall be installed with the following protective measures:

(A) protection from damage from vehicle movements in compliance with the guardrail and fencing requirements of §14.2101 of this title (relating to System Protection Requirements);

(B) isolation valves at both ends of containers with less than 2,000 gallon capacity, and a remote operating valve, automatic closure, or check valve to prevent backflow on containers of 2,000 gallons or more capacity;

(C) a check valve on piping for liquid transfer to minimize accidental release; and

(D) a line relief valve between every pair of isolation valves.

(2) Operating status indicators shall be provided in the transfer area.

The provisions of this §14.2119 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2122 Pumps and Compressors Used for LNG and Refrigerants

In addition to NFPA 59A §11.8, pressure gauges shall be installed on each pump and compressor discharge.

The provisions of this §14.2122 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2125 Hoses and Arms

In addition to NFPA 59A §11.8, couplings used for connection of a hose or arm shall be suitable for operating conditions and shall be designed for frequent coupling and uncoupling.

The provisions of this §14.2125 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2131 Fire Protection

(a) The emergency procedure manual required in NFPA 59A §13.18.3.1 shall be available in the operating area and shall be updated as required by changes in equipment or procedures.

(b) In addition to NFPA 59A §12.7, safety and fire protection equipment shall be visually inspected at least once a month and tested at least once a year. Documentation shall be maintained on inspections and tests for at least two years or consistent with other safety record retention schedules, whichever is greater.

The provisions of this §14.2131 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2137 Employee Safety and Training

(a) Employees who handle and dispense LNG shall be trained in proper handling, operating duties, and procedures.

(b) Employees shall be trained upon employment and as needed thereafter, but no less than every two years. Training shall include the following:

(1) information on the nature, properties, and hazards of LNG in both the liquid and gaseous phases;

(2) specific instructions on the facility equipment to be used;

(3) use and care of protective equipment and clothing;

(4) standard first aid;

(5) response to emergency situations such as fire, leaks, and spills;

(6) good housekeeping practices;

(7) the emergency response plan; and

(8) evacuation and fire drills.

The provisions of this §14.2137 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

SUBCHAPTER D. GENERAL RULES FOR LNG FUELING FACILITIES

§14.2301 Applicability

This subchapter applies to the design, construction, installation, and operation of containers, pressure vessels, pumps, vaporization equipment, buildings, structures, and associated equipment used for the storage and dispensing of LNG as an engine fuel for vehicles of all types.

The provisions of this §14.2301 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2304 General Facility Design

(a) LNG shall not be vented to the atmosphere under normal operations unless the vent leads to a safe point of discharge. Vent pipes or stacks shall have the open end suitably protected to prevent entrance of rain, snow, and other foreign material. Vent stacks shall have provision for drainage.

(b) Temperature monitoring systems shall be provided where the foundations supporting cryogenic containers and equipment could be adversely affected by freezing or frost heaving of the ground.

The provisions of this §14.2304 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2310 Emergency Refueling

(a) Licensees and nonlicensees, such as mass transit authorities, may use a mobile refueling vehicle for emergency refueling provided it complies with the following requirements:

(1) The gross vehicle weight (GVW) shall not exceed the GVW rating. Installation of the container shall not adversely affect the vehicle.

(2) The vehicle used to transport the container shall comply with all DOT and Texas placarding requirements.

(3) The LNG cargo container shall have a maximum water capacity of 200 gallons.

(4) The container, fittings, and transfer equipment shall be properly secured against displacement.

(b) The individual performing the transfer of LNG shall be properly trained in all aspects of LNG transfer.

(c) Prior to the mobile refueling vehicle being placed into service, the licensee shall file with AFS a drawing showing the mounting, type of container, water capacity of the container, type of vehicle to be used, and the method of mounting. The vehicle shall not be placed into service until AFS ensures that it complies with the applicable rules.

(d) Emergency refueling vehicles are not required to be registered with AFS.

The provisions of this §14.2310 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective June 5, 2006, 31 TexReg 4607; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2313 Fuel Dispensing Systems

(a) Compliance with NFPA 52 §10.4 or requirements of this section does not ensure conformity with other state and federal regulations, such as those of the Texas Commission on Environmental Quality or the United States Environmental Protection Agency. Retail LNG dispensers shall comply with the applicable weights and measures requirements of the Texas Department of Agriculture relating to dispensing accuracy.

(b) All appurtenances and equipment placed into LNG service shall be certified, marked, or listed by a nationally recognized laboratory such as Underwriters Laboratory (UL), Factory Mutual (FM), CSA International or other such laboratories approved by AFS unless:

(1) the appurtenances or equipment are specifically prohibited for use by another section of this chapter; or

(2) there is no test specification or procedure developed by a testing laboratory for the appurtenances or equipment.

(c) Appurtenances and equipment that cannot be listed but are not prohibited for use by the rules in this chapter shall be acceptable for LNG service over the full range of pressures and temperatures to which they will be subjected under normal operating conditions.

(d) The licensee or operator of the appurtenance or equipment shall maintain documentation sufficient to substantiate any claims made regarding the safety of any valves, fittings, and equipment and shall, upon request, furnish copies to AFS.

(e) Manually operated container valves shall be provided for each container.

(f) Manually operated shutoff valves shall be installed in manifolds as close as practicable to a container or group of containers.

The provisions of this §14.2313 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2314 Removal from LNG Service

(a) If AFS determines that any LNG container or installation constitutes an immediate danger to the public health, safety, and welfare, AFS shall require the immediate removal of all LNG and/or the immediate disconnection by a properly licensed company to the extent necessary to eliminate the danger. This may include equipment or any part of the system including

the service container. A warning tag shall be attached by AFS until the unsafe condition is remedied. Once the unsafe condition is remedied, the tag may be removed by an AFS inspector or by the licensee if authorized by AFS.

(b) If the affected entity disagrees with the removal from service and/or placement of a warning tag the entity may request a review of AFS' decision within 10 calendar days. Within 10 business days, AFS shall notify such entity of its finding in writing, stating the deficiencies. If the entity disagrees, the entity may request or AFS on its own motion may request a hearing. Such installation shall be brought into compliance or removed from service until such time as the final decision is rendered by the Commission.

The provisions of this §14.2314 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2319 Automatic Fuel Dispenser Safety Requirements

(a) Automatic fuel dispensers shall be fabricated of material suitable for LNG and resistant to the action of LNG under service conditions. Pressure containing parts shall be stainless steel, brass, or other equivalent cryogenic material. Aluminum may be used for approved meters.

(b) Electric installations within dispenser enclosures and the entire pit or open space beneath dispensers shall comply with NEC, Class 1, Group D, Division 1, except for dispenser components located at least 48 inches above the dispenser base which NEC states are intrinsically safe.

(c) Valves, metering equipment, and other related equipment installed on automatic dispensers shall meet all applicable requirements of the rules in this chapter.

(d) In addition to NFPA 52 §10.4.1, automatic dispensers shall be protected from damage by vehicle collision by fencing and guardrails installed in accordance with §14.2101 of this title (relating to System Protection Requirements).

(e) A device shall be installed in the liquid piping so that displacement of an automatic dispenser will result in the displacement of such piping on the downstream side of the device.

(f) The fueling nozzle shall prevent LNG from being discharged unless the nozzle is connected to the vehicle.

(g) A key, card, or code system shall be used to activate the automatic dispenser.

(h) Automatic dispensers shall incorporate cutoff valves with opening and closing devices which ensure the valves are in a closed position when dispensers are deactivated.

(i) LNG fuel storage installations which include automatic dispensers shall be equipped with an

emergency shut-down device for the entire LNG installation located at least 20 feet from the nearest dispenser or storage area. The emergency shut-down device shall be distinctly marked for easy recognition in compliance with the requirements of §14.2101 of this title.

(j) If automatic dispensers are to be used during hours of darkness, permanent adequate lighting shall be provided to facilitate proper operations.

(k) Fuel dispensers, including automatic dispensers, may be operated only by an individual who has been properly trained.

(1) The licensee owning, operating, or servicing a CNG fuel dispensing facility shall ensure the safe operation of the system and provide training to users.

(2) Step by step operating instructions provided by the manufacturer shall be posted at or on each automatic dispenser, readily visible to the operator during transfer operations. The instructions shall describe each action necessary to operate the automatic dispenser and include the location of and procedure for activating emergency shutoff equipment.

(3) Each person or entity who operates a fuel dispenser, excluding an automatic dispenser, shall be provided with written instructions and safe operating procedures by the licensee. The person operating the dispenser should be cautioned to study and preserve such instructions and procedures.

The provisions of this §14.2319 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

SUBCHAPTER E. PIPING SYSTEMS AND COMPONENTS FOR ALL STATIONARY LNG INSTALLATIONS

§14.2401 General Provisions for Piping Systems and Components

Piping systems shall comply with ANSI B31.3, Chemical Plant and Petroleum Refinery Piping. The additional provisions of this subchapter apply only to pressurized piping systems and components for LNG, flammable refrigerants, flammable liquids, and flammable gases, and unpressurized or low pressure piping systems, including vent lines and drain lines which handle LNG, flammable refrigerants, flammable liquids, and flammable gases with service temperatures below -20 degrees Fahrenheit.

The provisions of this §14.2401 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2416 Installation of Valves

(a) In addition to NFPA 59A §§9.4.2.3 and 9.4.2.4, the number of shutoff valves installed shall be kept to the minimum required for efficient and safe operation of each facility.

(b) Piping systems shall be designed to limit the contained volume that could be discharged in the event of a piping system failure. Sufficient valves which can be operated both at the installed location and from a remote location to shut down the process and transfer systems in the event of an emergency shall be installed.

(c) ESD valves shall be single-purpose valves.

The provisions of this §14.2416 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

SUBCHAPTER G. ENGINE FUEL SYSTEMS

§14.2601 Applicability

This subchapter applies to the design, installation, inspection, and testing of LNG fuel supply systems for vehicle engines and other engines installed on a vehicle. *The provisions of this §14.2601 adopted to be effective May 26, 2003, 28 TexReg 4100.*

§14.2604 System Component Qualification

Fuel-carrying components (excluding service valves, tubing, and fittings) shall be labeled or stamped with the following:

- (1) the manufacturer's name or symbol;
- (2) the model designation;
- (3) the maximum allowable maximum allowable working pressure;
- (4) the design temperature range;
- (5) direction of flow of fuel when necessary for correct installation; and
- (6) capacity or electrical rating as applicable.

The provisions of this §14.2604 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2610 Installation of Vehicle Fuel Containers

(a) In addition to NFPA 52 §9.12.1.2, vehicle fuel containers on school buses, mass transit vehicles, and other public transportation vehicles shall be installed on the underside of the vehicle, except as specified in subsection (c) of this section. Fuel containers on special transit vehicles shall be installed in a location which will not interfere with vehicle operation.

(b) Fuel supply containers shall be connected or mounted to comply with the following specifications:

(1) Container brackets shall be secured to the vehicle body, bed, or frame with bolts, lock washers and nuts, or self-locking nuts of a size and strength capable of withstanding a static force in any direction of eight times the weight of a full container for vehicles with gross vehicle weights of 19,500 pounds or less, and four times the weight of a full container for vehicles with gross vehicle weights of 19,501 pounds or more. Mounting brackets shall be marked with the manufacturer's name or logo. If self-locking nuts are installed, they shall not be reused once they are removed.

(2) Containers shall be secured to a school bus, mass transit, or special transit vehicle frame excluding the floor by container fastenings or mounting brackets described in paragraph (1) of this subsection. The fastenings or brackets shall be secured to the frame, backing plates, or other supporting structure without compromising the strength of that structure.

(c) Roof-mounted containers are allowed if the vehicle was originally designed and manufactured to have roof-mounted containers or if the original manufacturer approves the design of the structure mounting. Vehicles shall not be modified to have roof-mounted containers.

(d) If necessary, a plumbing chamber door shall be provided in the sidewall of the school bus, mass transit, or special transit vehicle to allow for easy access for filling or securing the service valve in the event of an emergency. The plumbing chamber door shall be hinged and latched, but not locked.

The provisions of this §14.2610 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2619 Installation of Piping

(a) Fuel lines shall be supported at least every 21 to 27 inches.

(b) Joint compound or tape acceptable for use with LNG shall be applied to all male pipe threads prior to assembly.

(c) Piping and fittings shall be clean and free from cutting or threading burrs and scaling. The ends of all piping shall be reamed.

(d) Bends in piping or tubing are prohibited if the bend weakens the pipe or tubing. Bends shall be made by bending tools designated for this purpose.

(e) Joints or connections shall be located only in an accessible location.

The provisions of this §14.2619 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2625 Installation of Pressure Gauges

Pressure gauges installed outside driver or passenger compartments shall be equipped with a limiting orifice, a shatter-proof dial lens, and a body relief.

The provisions of this §14.2625 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044

§14.2634 Vehicle Fueling Connection

(a) Vehicle fueling connections shall provide for the reliable and secure connection of the fuel system containers to a source of LNG.

(b) Fueling connections shall prevent escape of gas when the connector is not properly engaged or becomes separated.

The provisions of this §14.2634 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2637 Signs and Labeling

(a) Signs or labels shall be readily visible before and during transfer operations, shall be weather-resistant, and shall be located as specified in Table 1 of this section.

Figure: 16 TAC §14.2637(a) *[See Figures at the end of this document.]*

(b) Upon completion of a vehicle conversion, the licensee making the conversion shall affix to the vehicle an identification tag or decal in a location that is easily readable. The tag or decal shall contain letters that indicate the licensee's name, current license number, and the year and month the conversion was made.

The provisions of this §14.2637 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2640 System Testing

(a) If the completed LNG engine fuel system is leak tested with natural gas, the testing shall be done under adequately ventilated conditions.

(b) If an LNG container is involved in an accident or fire causing damage to the container, the container shall be replaced or removed and returned to a currently licensed Category 15, 20, or 50 licensee to be inspected and retested in accordance with the original manufacturer's specifications. The licensee who performs any repair, modification, or testing of a container shall file LNG Form 2008 with AFS before the container is returned to service.

The provisions of this §14.2640 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective

December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2643 Maintenance and Repair

(a) The owner or user or both shall maintain containers, container appurtenances, piping systems, venting systems, and other components in a safe condition.

(b) Repair or alteration of pressure relief devices and fuel lines is prohibited. Damaged pressure relief devices and fuel lines shall be replaced.

The provisions of this §14.2643 adopted to be effective May 26, 2003, 28 TexReg 4100.

SUBCHAPTER H LNG TRANSPORTS

§14.2701 DOT Requirements

(a) This subchapter applies to LNG transports as defined in this chapter used in the transportation and distribution of LNG.

(b) LNG transports shall comply with the requirements of DOT specification MC-338 and the applicable parts of Title 49, Code of Federal Regulations, Parts 171 - 180.

The provisions of this §14.2701 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2704 Registration and Transfer of LNG Transports

(a) A person who operates an LNG transport, regardless of who owns the transport, shall register the transport with AFS in the name or names under which the operator conducts business in Texas prior to the transport being used in LNG service.

(1) To register a unit previously unregistered in Texas, the operator of the unit shall:

(A) pay to AFS the \$270 registration fee for each LNG transport;

(B) file a properly completed LNG Form 2007;

(C) file a copy of the manufacturer's data report;

(D) file a copy of the DOT compliance sheet; and

(E) file a copy of the test required by §14.2707 of this title (relating to Testing Requirements), unless that unit was manufactured within the previous five years.

(2) To register a transport which was previously registered in Texas but for which the registration has expired, the operator of the unit shall:

(A) pay to AFS the \$270 registration fee;

(B) file LNG Form 2007; and

(C) file a copy of the latest test results if an expired unit has not been used in the transportation of LNG for over one year or the current test has not been filed with AFS.

(3) To re register a currently registered unit, the licensee operating the unit shall pay a \$300 annual registration fee.

(4) To transfer a currently registered unit, the new operator of the transport shall:

(A) pay the \$100 transfer fee for each unit; and

(B) file a properly completed LNG Form 2007.

(b) AFS may also request an operator registering or transferring any transport have the transport tested by a test other than those required by §14.2707 of this title.

(c) When all registration or transfer requirements have been met, AFS shall issue LNG Form 2004 which shall be properly affixed in accordance with the placement instructions on the form. LNG Form 2004 shall authorize the licensee or ultimate consumer to whom it has been issued and no other person to operate such unit in the transportation of LNG and to fill the transport containers.

(1) A person shall not operate an LNG transport in Texas unless the LNG Form 2004 has been properly affixed or unless its operation has been specifically approved by AFS.

(2) A person shall not introduce LNG into a transport container unless that transport bears an LNG Form 2004 or unless specifically approved by AFS.

(3) LNG Form 2004 shall not be transferable by the person to whom it has been issued, but shall be registered by any subsequent licensee or ultimate consumer prior to the unit being placed into LNG service.

(4) This subsection shall not apply to:

(A) a container manufacturer/fabricator who introduces a reasonable amount of LNG into a newly constructed container in order to properly test the vessel, piping system, and appurtenances prior to the initial sale of the container. The LNG shall be removed from the transport container prior to the transport leaving the manufacturer's or fabricator's premises; or

(B) a person who introduces a maximum of 150 gallons of LNG into a newly constructed transport container when such container will provide the motor fuel to the chassis engine for the purpose of allowing the unit to reach its destination.

(5) AFS shall not issue an LNG Form 2004 if AFS or a Category 15 or 50 licensee determines that the transport is unsafe for LNG service.

The provisions of this §14.2704 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective

December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2705 Replacement Decals

If an LNG Form 2004 decal on a transport currently registered with AFS is destroyed, lost, or damaged, the operator of that vehicle shall obtain a replacement decal by filing LNG Form 2018B and a \$50 replacement fee with AFS.

The provisions of this §14.2705 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2707 Testing Requirements

(a) Transports required to be registered with AFS shall be tested at least once every five years by a Category 15, 20, or 50 licensee.

(1) Documentation of the required testing shall be filed by the Category 15, 20, or 50 licensee.

(2) The results of any test required under this section shall clearly indicate whether the transport container unit is safe for LNG service. The Category 15, 20, or 50 licensee shall send LNG Form 2008 to AFS within 30 calendar days of the due date of any tests required under this section.

(3) If evidence of any unsafe condition is discovered as a result of any tests performed under this section, the transport container unit shall be immediately removed from LNG service and shall not be returned to LNG service until AFS notifies the licensee in writing that the transport container unit may be returned to LNG service.

(b) Containers shall be tested in accordance with 49 CFR §338.

(c) Containers shall be inspected for corroded areas, dents, or other conditions (including leakage under test pressure) which could render the container unsafe for LNG service.

The provisions of this §14.2707 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2710 Markings

(a) LNG transports shall be marked on each side and the rear with the name of the licensee or the ultimate consumer operating the unit. Such lettering shall be legible and at least two inches in height and in sharp color contrast to the background. AFS will determine whether the name marked on the transport is sufficient to properly identify the operator.

(b) Each school bus, special transit vehicle, mass transit vehicle, and public transportation unit shall be marked with the manual shutoff valve's location with the words "Manual Shutoff Valve." Decals or stencils are acceptable.

The provisions of this §14.2710 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2713 Pressure Gauge

Transport containers shall be equipped with a pressure gauge for LNG service which shall be maintained in good operating condition at all times. An isolation valve shall be installed between the container and the pressure gauge.

The provisions of this §14.2713 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2716 Supports

Transport containers shall be supported as required by DOT Regulations, 49 CFR §178.337-13.

The provisions of this §14.2716 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2719 Electrical Equipment and Lighting

LNG transports and container delivery units shall not be equipped with an artificial light other than electrical. Lighting circuits shall have suitable overcurrent protection (fuses or automatic circuit breakers). Wiring shall have sufficient current capacity and mechanical strength, and shall be secured, insulated, and protected against physical damage.

The provisions of this §14.2719 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2722 Liquid Level Gauging Devices

Truck and trailer containers shall be equipped with a liquid level gauging device of approved design, such as a fixed tube device. Fixed tube devices shall be arranged so that the maximum liquid level to which the container may be filled is set at the maximum permitted for the container based on an initial liquid temperature not to exceed 40 degrees Fahrenheit. An isolation valve shall be installed between the container and the liquid level gauging device.

The provisions of this §14.2722 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2725 Exhaust System

No part of the exhaust system on any LNG transport or container delivery unit shall be located less than six

inches unless shielded from any piping, pump, and/or compressor. The exhaust system discharge shall not impinge on the containers, piping, or related appurtenances.

The provisions of this §14.2725 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2728 Extinguishers Required

(a) Transport power units shall be equipped with at least one fire extinguisher having a UL rating of 10 B:C or more, and shall be labeled or marked with that rating.

(b) Fire extinguishers shall be fully charged, in good mechanical condition, and accessible for use. Fire extinguishers shall be mounted with a mounting bracket which will allow visual determination of being fully charged.

The provisions of this §14.2728 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2731 Manifests

Manifests or bills of lading shall be covered by permanent shipping papers authorized by the DOT.

The provisions of this §14.2731 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2734 Transfer of LNG on Public Highways, Streets, or Alleys

Transferring LNG on public highways, streets, or alleys is prohibited except in an emergency or where the containers are on machinery being used for the construction or maintenance of such public highways, streets, or alleys.

The provisions of this §14.2734 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2737 Parking of LNG Transports and Container Delivery Units, and Use of Chock Blocks

(a) LNG transport or container delivery units shall not be parked on any public street, highway, or alley, except in an emergency, or when in connection with normal duties, meals, or rest stops. Such units shall not be parked in a congested area and shall be parked a minimum distance of 50 feet from any building, except buildings devoted exclusively to LNG activities.

(b) LNG transports shall carry at least two chock blocks designed to effectively prevent the movement of the transport. These blocks shall be used any time the transport is parked and during the transfer of fuel regardless of the level of the surrounding terrain.

The provisions of this §14.2737 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective February 15, 2021, 46 TexReg 1044.

§14.2740 Uniform Protection Standards

(a) LNG transport units and container delivery units, including appurtenances, shall be maintained in a safe operating condition at all times.

(b) Any transport unit or container delivery unit discovered to be in an unsafe condition while being operated on a public roadway may be continued in operation only to the nearest place where repairs can safely be made. Such operation shall be conducted only if it is less hazardous to the public than to permit the transport unit or container delivery unit to remain on the public roadway.

The provisions of this §14.2740 adopted to be effective May 26, 2003, 28 TexReg 4100.

§14.2746 Delivery of Inspection Report to Licensee

The transport driver of any transport unit receiving an inspection report from AFS shall deliver that report to the licensee in whose name the transport unit is registered.

The provisions of this §14.2746 adopted to be effective May 26, 2003, 28 TexReg 4100; amended to be effective December 24, 2012, 37 TexReg 9921; amended to be effective February 15, 2021, 46 TexReg 1044.

SUBCHAPTER I ADOPTION BY REFERENCE OF NFPA 52 (VEHICULAR GASEOUS FUEL SYSTEMS CODE)

§14.2801 Adoption by Reference of NFPA 52

(a) Effective February 15, 2021, except as modified in the remaining sections of this subchapter, the Commission adopts by specific reference the provisions established by the National Fire Protection Association in its 2013 edition of the Vehicular Gaseous Fuel Systems Code, commonly referred to as NFPA 52 or Pamphlet 52. Nothing in this section or subchapter shall prevent the Commission, after notice, from adopting additional requirements, whether more or less stringent, for individual situations to protect the health, safety, and welfare of the general public. Any documents or parts of documents incorporated by reference into these rules shall be a part of these rules as if set out in full.

(b) Effective February 15, 2021, the Commission also adopts by reference all other NFPA publications or portions of those publications referenced in NFPA 52 which apply to LNG activities only. The pamphlets adopted by reference in NFPA 52 are:

(1) FPA 30A, Code for Motor Fuel Dispensing Facilities and Repair Garages, 2012 edition;

(2) NFPA 37, Standard for the Installation and Use of Stationary Combustion Engines and Gas Turbines, 2010 edition;

(3) NFPA 51B, Standard for Fire Prevention During Welding, Cutting, and Other Hot Work, 2009 edition;

(4) NFPA 54, National Fuel Gas Code, 2012 edition;

(5) NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), 2013 edition;

(6) NFPA 70, National Electrical Code, 2014 edition;

(7) NFPA 80, Standard for Fire Doors and Other Opening Protectives, 2013 edition;

(8) NFPA 101, Life Safety Code, 2012 edition;

(9) NFPA 259, Standard Test Method for Potential Heat of Building Materials, 2013 edition;

(10) NFPA 302, Fire Protection Standard for Pleasure and Commercial Motor Craft, 2010 edition;

(11) NFPA 303, Fire Protection Standard for Marinas and Boatyards, 2011 edition;

(12) NFPA 496, Standard for Purged and Pressurized Enclosures for Electrical Equipment, 2013 edition; and

(13) NFPA 5000, Building Construction and Safety Code, 2012 edition.

The provisions of this §14.2801 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2802 Clarification of Certain Terms Used in NFPA 52

(a) Authority having jurisdiction. As pertains to LNG activities in Texas, the phrase "authority having jurisdiction" defined in NFPA 52 §3.2 and referenced in other NFPA publications shall be the Railroad Commission of Texas or any of its divisions or employees, except with respect to the definitions of "approved," "labeled," and "listed" in NFPA 52 §3.2.

(b) Engineering. The Commission does not adopt language in any NFPA 52 rule such as "sound engineering practice," "accepted engineering practice," "good engineering practice," "sound engineering design," or similar language that might be understood to mean or refer to the practice of engineering. The omission of a specific NFPA 52 rule or other NFPA pamphlets containing such language from the exceptions listed in this subchapter is inadvertent and shall not be read or understood as requiring, allowing, or approving the unlicensed practice of engineering or any other professional occupation requiring a license.

The provisions of this §14.2802 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2803 Sections in NFPA 52 Adopted with Additional Requirements or Not Adopted

Table 1 of this section lists certain NFPA 52 sections which the Commission adopts with additional requirements or does not adopt in order to address the Commission's rules in this chapter.

Figure: 16 TAC §14.2803 [See Figures at the end of this document.]

The provisions of this §14.2803 adopted to be effective February 15, 2021, 46 TexReg 1044.

SUBCHAPTER J ADOPTION BY REFERENCE OF NFPA 59A (STANDARD FOR THE PRODUCTION, STORAGE, AND HANDLING OF LIQUEFIED NATURAL GAS (LNG))

§14.2901 Adoption by Reference of NFPA 59A

(a) Effective February 15, 2021, except as modified in the remaining sections of this subchapter, the Commission adopts by specific reference the provisions established by the National Fire Protection Association in its 2013 edition of the Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), commonly referred to as NFPA 59A or Pamphlet 59A. Nothing in this section or subchapter shall prevent the Commission, after notice, from adopting additional requirements, whether more or less stringent, for individual situations to protect the health, safety, and welfare of the general public. Any documents or parts of documents incorporated by reference into these rules shall be a part of these rules as if set out in full.

(b) Effective February 15, 2021, the Commission also adopts by reference all other NFPA publications or portions of those publications referenced in NFPA 59A. The pamphlets adopted by reference in NFPA 59A are:

(1) NFPA 10, Standard for Portable Fire Extinguishers, 2010 edition;

(2) NFPA 11, Standard for Low , Medium , and High Expansion Foam, 2010 edition;

(3) NFPA 12, Standard on Carbon Dioxide Extinguishing Systems, 2011 edition;

(4) NFPA 12A, Standard on Halon 1301 Fire Extinguishing Systems, 2009 edition;

(5) NFPA 13, Standard for the Installation of Sprinkler Systems, 2013 edition;

(6) NFPA 16, Standard for the Installation of Foam Water Sprinkler and Foam Water Spray Systems, 2011 edition;

(7) NFPA 17, Standard for Dry Chemical Extinguishing Systems, 2009 edition;

- (8) NFPA 20, Standard for the Installation of Stationary Pumps for Fire Protection, 2013 edition;
- (9) NFPA 22, Standard for Water Tanks for Private Fire Protection, 2008 edition;
- (10) NFPA 24, Standard for the Installation of Private Fire Service Mains and Their Appurtenances, 2013 edition;
- (11) NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water Based Fire Protection Systems, 2011 edition;
- (12) NFPA 30, Flammable and Combustible Liquids Code, 2012 edition;
- (13) NFPA 37, Standard for the Installation and Use of Stationary Combustion Engines and Gas Turbines, 2010 edition;
- (14) NFPA 54, National Fuel Gas Code, 2012 edition;
- (15) NFPA 58, Liquefied Petroleum Gas Code, 2011 edition;
- (16) NFPA 59, Utility LP Gas Plant Code, 2012 edition;
- (17) NFPA 70, National Electrical Code, 2011 edition;
- (18) NFPA 72, National Fire Alarm and Signaling Code, 2013 edition;
- (19) NFPA 101, Life Safety Code, 2012 edition;
- (20) NFPA 274, Standard Test Method to Evaluate Fire Performance Characteristics of Pipe Insulation, 2009 edition;
- (21) NFPA 385, Standard for Tank Vehicles for Flammable and Combustible Liquids, 2012 edition;
- (22) NFPA 600, Standard on Industrial Fire Brigades, 2010 edition;
- (23) NFPA 1221, Standard for the Installation, Maintenance, and Use of Emergency Services Communications Systems, 2013 edition;
- (24) NFPA 1901, Standard for Automotive Fire Apparatus, 2009 edition;
- (25) NFPA 2001, Standard on Clean Agent Fire Extinguishing Systems, 2012 edition;
- (26) NFPA 5000, Building Construction and Safety Code, 2012 edition.

The provisions of this §14.2901 adopted to be effective February 15, 2021, 46 TexReg 1044.

§14.2902 Clarification of Certain Terms Used in NFPA 59A

(a) Authority having jurisdiction. As pertains to LNG activities in Texas, the phrase "authority having jurisdiction" defined in NFPA 59A §3.2 and referenced in other NFPA publications shall be the Railroad Commission of Texas or any of its divisions or

employees, except with respect to the definitions of "approved," "labeled," and "listed" in NFPA 59A §3.2.

(b) Engineering. The Commission does not adopt language in any NFPA 59A rule such as "sound engineering practice," "accepted engineering practice," "good engineering practice," "sound engineering design," or similar language that might be understood to mean or refer to the practice of engineering. The omission of a specific NFPA 59A rule or other NFPA pamphlets containing such language from the exceptions listed in this subchapter is inadvertent and shall not be read or understood as requiring, allowing, or approving the unlicensed practice of engineering or any other professional occupation requiring a license. *The provisions of this §14.2902 adopted to be effective February 15, 2021, 46 TexReg 1044.*

§14.2903 Sections in NFPA 59A Adopted with Additional Requirements or Not Adopted

Table 1 of this section lists certain NFPA 59A sections which the Commission adopts with additional requirements or does not adopt in order to address the Commission's rules in this chapter.

Figure: 16 TAC §14.2903 *[See Figures at the end of this document.]*
The provisions of this §14.2903 adopted to be effective February 15, 2021, 46 TexReg 1044.

Figure: 16 TAC §14.2016(a)(5)

Table 1. LNG Penalty Schedule Guidelines

LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range
Tex. Nat. Res. Code, Chap. 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500
16 TAC §14.2014(a)	Performing LNG activities without proper license	\$500
16 TAC §14.2014(c)	Copies of licenses and/or certifications	\$100
16 TAC §14.2014(h)	Performing container manufacturing activities without proper registration	\$500
16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, 1-2 months	\$500
16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, 3-4 months	\$750
16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, 5-6 months	\$1,000
16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, more than 6 months	\$1,000-2,500
16 TAC §14.2019(a)	Performing LNG activities without proper certification	\$500-1,500
16 TAC §14.2019(f)	Trainees	\$500-1,500
16 TAC §14.2019(g)	Requirements for certificate holder renewal	\$250
16 TAC §14.2020	Employee transfer	\$100
16 TAC §14.2025	Designation and responsibilities of company representative and operations supervisor	\$500
16 TAC §14.2028	Franchise tax certification and assumed name certificate	\$500
16 TAC §14.2029	Changes in ownership, form of dealership or name of dealership	\$250
16 TAC §14.2031	Insurance requirements	\$1,000
16 TAC §14.2034	Self-insurance requirements	\$1,000
16 TAC §14.2040(b)	Filings for stationary installations LNG Form 2501: 1-5 occurrences	\$100
16 TAC §14.2040(b)	Filings for stationary installations LNG Form 2501: 6-10 occurrences	\$200
16 TAC §14.2040(b)	Filings for stationary installations LNG Form 2501: more than 10 occurrences	\$500
16 TAC §14.2040(c)	Filings for stationary installations: LNG Form 2500	\$1,000
16 TAC §14.2043	Temporary installations	\$250
16 TAC §14.2046	School bus, public transportation, mass transit and special transit vehicle installations and inspections	\$100-500
16 TAC §14.2049	Accident report	\$1000
16 TAC §14.2101	System protection requirements	\$100-750
16 TAC §14.2102	Installation and Maintenance	\$100-750
16 TAC §14.2104	Testing of containers	\$100-750
16 TAC §14.2110	LNG container installation distance requirements	\$750-1,500
16 TAC §14.2116	Venting of LNG	\$250
16 TAC §14.2119	Transport vehicle loading and unloading facilities and procedures	\$500-1,500
16 TAC §14.2122	Pumps and compressors used for LNG and Refrigerants	\$250-1,000
16 TAC §14.2125	Hoses and arms	\$250-750
16 TAC §14.2131	Fire protection	\$750-1,500
16 TAC §14.2137	Employee safety and training	\$500-1,500
16 TAC §14.2304	General facility design	\$1,000
16 TAC §14.2310	Emergency refueling	\$1,000
16 TAC §14.2313	Fuel dispensing systems	\$250-1,000
16 TAC §14.2319	Automatic fuel dispenser safety requirements	\$250-1,000

LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range
16 TAC §14.2401	General provisions for piping systems and components	\$1,000
16 TAC §14.2416	Installation of valves	\$250-1,000
16 TAC §14.2604	Systems component qualification	\$500
16 TAC §14.2610	Installation of vehicle fuel containers	\$100-750
16 TAC §14.2619	Installation of piping	\$250-500
16 TAC §14.2625	Installation of pressure gauges	\$100-500
16 TAC §14.2634	Vehicle fueling connection	\$500
16 TAC §14.2637	Signs and labeling	\$100
16 TAC §14.2640	System testing	\$1,000
16 TAC §14.2643	Maintenance and repair	\$250-1,000
16 TAC §14.2701	DOT requirements	\$1,000
16 TAC §14.2704	Registration and transfer of LNG transports	\$500-1,500
16 TAC §14.2705	Replacement decals	\$100
16 TAC §14.2707	Testing requirements	\$1,000
16 TAC §14.2710	Markings	\$250
16 TAC §14.2713	Pressure gauge	\$100-500
16 TAC §14.2716	Supports	\$1,000
16 TAC §14.2719	Electrical equipment and lighting	\$100-500
16 TAC §14.2722	Liquid level gauging devices	\$1,000
16 TAC §14.2725	Exhaust system	\$100-250
16 TAC §14.2728	Extinguishers required	\$100-250
16 TAC §14.2731	Manifests	\$250
16 TAC §14.2734	Transfer of LNG on public highways, streets or alleys	\$250-1,000
16 TAC §14.2737	Parking of LNG transports and container delivery vehicles	\$250-500
16 TAC §14.2740	Uniform protection standards	\$100-750
16 TAC §14.2746	Delivery of inspection report to licensee	\$100
16 TAC §14.2801	NFPA 52 adopted by reference unless otherwise listed	\$250-2,500
16 TAC §14.2803	Sections in NFPA 52 not adopted by reference or adopted with changes or additional requirements	\$250-2,500
16 TAC §14.2901	NFPA 59A adopted by reference unless otherwise listed	\$250-2,500
16 TAC §14.2903	Sections in NFPA 59A not adopted by reference or adopted with changes or additional requirements	\$250-2,500

Figure: 16 TAC §14.2016(a)(6)

Table 2. LNG Penalty Enhancements

For violations that involve:	Threatened or actual safety hazard	Severity of violation or culpability of person charged
Death or personal injury	\$5,000 to \$20,000	
Taking facility out of service	\$1,000 to \$5,000	
Gas ignition or release requiring emergency response	\$1,000 to \$15,000	
Damage to LNG installation or vehicle	\$1,000 to \$5,000	
Property damage exceeding \$5,000	\$1,000 to \$15,000	
Rerouting of traffic or evacuation of premises	\$1,000 to \$5,000	
Time out of compliance		\$100 to \$2,000 for each month
Reckless conduct of person charged		Up to double the total penalty
Intentional conduct of person charged		Up to triple the total penalty

Figure 1: 16 TAC §14.2016(a)(7)

Table 3. Penalty enhancements based on number of prior violations within seven years

Number of violations in the seven years prior to action	Enhancement amount
One	\$1,000
Two	\$2,000
Three	\$3,000
Four	\$4,000
Five or more	\$5,000

Figure 2: 16 TAC §14.2016(a)(7)

Table 4. Penalty enhancements based on total amount of prior penalties within seven years

Total administrative penalties assessed in the seven years prior to action	Enhancement amount
Less than \$10,000	\$1,000
Between \$10,000 and \$25,000	\$2,500
Between \$25,000 and \$50,000	\$5,000
Between \$50,000 and \$100,000	\$10,000
Over \$100,000	10% of total amount

Figure: 16 TAC §14.2016(a)(11)

Table 5. LNG Penalty Worksheet

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
1	Tex. Nat. Res. Code, Chap. 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500	\$
2	16 TAC §14.2014(a)	Performing LNG activities without proper license	\$500	\$
3	16 TAC §14.2014(c)	Copies of licenses and/or certifications	\$100	\$
4	16 TAC §14.2014(h)	Performing container manufacturing activities without proper registration	\$500	\$
5	16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, 1-2 months	\$500	\$
6	16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, 3-4 months	\$750	\$
7	16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, 5-6 months	\$1,000	\$
8	16 TAC §14.2014(j)	License and manufacturer registration renewal lapse, >6 months	\$1,000-2,500	\$
9	16 TAC §14.2019(a)	Performing LNG activities without proper certification	\$500-1,500	\$
10	16 TAC §14.2019(f)	Trainees	\$500-1,500	\$
11	16 TAC §14.2019(g)	Requirements for certificate holder renewal	\$250	\$
12	16 TAC §14.2020	Employee transfer	\$100	\$
13	16 TAC §14.2025	Designation and responsibilities of company representative and operations supervisor	\$500	\$
14	16 TAC §14.2028	Franchise tax certification and assumed name certificate	\$500	\$
15	16 TAC §14.2029	Changes in ownership, form of dealership or name of dealership	\$250	\$
16	16 TAC §14.2031	Insurance requirements	\$1,000	\$
17	16 TAC §14.2034	Self-insurance requirements	\$1,000	\$
18	16 TAC §14.2040(b)	Filings for stationary installations LNG Form 2501-- 1-5 occurrences	\$100	\$
19	16 TAC §14.2040(b)	Filings for stationary installations LNG Form 2501-- 6-10 occurrences	\$200	\$
20	16 TAC §14.2040(b)	Filings for stationary installations LNG Form 2501-- >10 occurrences	\$500	\$
21	16 TAC §14.2040(c)	Filings for stationary installations: LNG Form 2500	\$1,000	\$
22	16 TAC §14.2043	Temporary installations	\$250	\$
23	16 TAC §14.2046	School bus, public transportation, mass transit and special transit vehicle installations and inspections	\$100-500	\$
24	16 TAC §14.2049	Accident report	\$1000	\$
25	16 TAC §14.2101	System protection requirements	\$100-750	\$
26	16 TAC §14.2102	Installation and Maintenance	\$100-750	\$
27	16 TAC §14.2104	Testing of containers	\$100-750	\$
28	16 TAC §14.2110	LNG container installation distance requirements	\$750-1,500	\$
29	16 TAC §14.2116	Venting of LNG	\$250	\$
30	16 TAC §14.2119	Transport vehicle loading and unloading facilities	\$500-1,500	\$

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
		and procedures		
31	16 TAC §14.2122	Pumps and compressors used for LNG and Refrigerants	\$250-1,000	\$
32	16 TAC §14.2125	Hoses and arms	\$250-750	\$
33	16 TAC §14.2131	Fire protection	\$750-1,500	\$
34	16 TAC §14.2137	Employee safety and training	\$500-1,500	\$
35	16 TAC §14.2304	General facility design	\$1,000	\$
36	16 TAC §14.2310	Emergency refueling	\$1,000	\$
37	16 TAC §14.2313	Fuel dispensing systems	\$250-1,000	\$
38	16 TAC §14.2319	Automatic fuel dispenser safety requirements	\$250-1,000	\$
39	16 TAC §14.2401	General provisions for piping systems and components	\$1,000	\$
40	16 TAC §14.2416	Installation of valves	\$250-1,000	\$
41	16 TAC §14.2604	Systems component qualification	\$500	\$
42	16 TAC §14.2610	Installation of vehicle fuel containers	\$100-750	\$
43	16 TAC §14.2619	Installation of piping	\$250-500	\$
44	16 TAC §14.2625	Installation of pressure gauges	\$100-500	\$
45	16 TAC §14.2634	Vehicle fueling connection	\$500	\$
46	16 TAC §14.2637	Signs and labeling	\$100	\$
47	16 TAC §14.2640	System testing	\$1,000	\$
48	16 TAC §14.2643	Maintenance and repair	\$250-1,000	\$
49	16 TAC §14.2701	DOT requirements	\$1,000	\$
50	16 TAC §14.2704	Registration and transfer of LNG transports	\$500-1,500	\$
51	16 TAC §14.2705	Replacement decals	\$100	\$
52	16 TAC §14.2707	Testing requirements	\$1,000	\$
53	16 TAC §14.2710	Markings	\$250	\$
54	16 TAC §14.2713	Pressure gauge	\$100-500	\$
55	16 TAC §14.2716	Supports	\$1,000	\$
56	16 TAC §14.2719	Electrical equipment and lighting	\$100-500	\$
57	16 TAC §14.2722	Liquid level gauging devices	\$1,000	\$
58	16 TAC §14.2725	Exhaust system	\$100-250	\$
59	16 TAC §14.2728	Extinguishers required	\$100-250	\$
60	16 TAC §14.2731	Manifests	\$250	\$
61	16 TAC §14.2734	Transfer of LNG on public highways, streets or alleys	\$250-1,000	\$
62	16 TAC §14.2737	Parking of LNG transports and container delivery vehicles	\$250-500	\$
63	16 TAC §14.2740	Uniform protection standards	\$100-750	\$
64	16 TAC §14.2746	Delivery of inspection report to licensee	\$100	\$
65	16 TAC §14.2801	NFPA 52 adopted by reference unless otherwise listed	\$250-2,500	\$
66	16 TAC §14.2803	Sections in NFPA 52 not adopted by reference or adopted with changes or additional requirements	\$250-2,500	\$
67	16 TAC §14.2901	NFPA 59A adopted by reference unless otherwise listed	\$250-2,500	\$
68	16 TAC §14.2903	Sections in NFPA 59A not adopted by reference or adopted with changes or additional requirements	\$250-2,500	\$
70	Subtotal of typical penalty amounts from Table 1 (lines 1-68, inclusive)			\$

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
71		Reduction for settlement before hearing: up to 50% of line 70 amt.		\$
72		Subtotal: amount shown on line 70 less applicable settlement reduction on line 71		\$
Penalty enhancement amounts for threatened or actual safety hazard from Table 2				
73		Death or personal injury	\$5,000-20,000	\$
74		Taking facility out of service	\$1,000-5,000	\$
75		Gas ignition or release requiring emergency response	\$1,000-15,000	\$
76		Damage to LNG installation or vehicle	\$1,000-5,000	\$
77		Property damage exceeding \$5,000	\$1,000-\$15,000	\$
78		Rerouting of traffic or evacuation of premises	\$1,000-5,000	\$
Penalty enhancement for severity of violation from Table 2				
79		Time out of compliance	\$100-2,000/mo.	\$
80		Subtotal: amount shown on line 72 plus all amounts on lines 73 through 79, inclusive		\$
Penalty enhancements for culpability of person charged from Table 2				
81		Reckless conduct of person charged	Up to double line 80	\$
82		Intentional conduct of person charged	Up to triple line 80	\$
Penalty enhancements for number of prior violations within past seven years from Table 3				
83		One	\$1,000	\$
84		Two	\$2,000	\$
85		Three	\$3,000	\$
86		Four	\$4,000	\$
87		Five or more	\$5,000	\$
Penalty enhancements for amount of penalties within past seven years from Table 4				
88		Less than \$10,000	\$1,000	\$
89		Between \$10,000 and \$25,000	\$2,500	\$
89		Between \$25,000 and \$50,000	\$5,000	\$
90		Between \$50,000 and \$100,000	\$10,000	\$
91		Over \$100,000	10% of total amt	\$
92		Subtotal: Line 80 amt. plus amt. on line 81 and/or 82 plus the amt. shown on any line from 83-91, inclusive		\$
93		Reduction for demonstrated good faith of person charged		\$
94		TOTAL PENALTY AMOUNT: amount on line 92 less any amount shown on line 93		\$

Figure: 16 TAC §14.2031(a)(2)

§14.2031. INSURANCE REQUIREMENTS

TABLE 1

Category of License	Type of Coverage
All	Workers' Compensation, including Employer's Liability
All	Alternative to Workers' Compensation including Employer's Liability, or Accident/Health insurance coverage: Medical expenses in the principal amount of at least \$150,000; accidental death benefits in the principal amount of at least \$100,000; loss of limb or sight on a scale based on principal amount of at least \$100,000; loss of income based on at least 60% of employee's preinjury income for not less than 52 weeks, subject to a maximum weekly wage calculated annually by the Texas Workforce Commission
30, 40, 45 and Registered Manufacturers	General liability coverage including: premises and operations in an amount of at least \$25,000 per occurrence and \$50,000 aggregate
20, 25, 35, 50 and Registered Manufacturers	Completed operations in an amount of at least \$300,000 aggregate
15, 25, 35 and Registered Manufacturers	Product liability in an amount of at least \$300,000 aggregate
15, 20, 25, 35, 50 and Registered Manufacturers	General liability coverage: premises and operations including completed operations in an amount of at least \$300,000 per occurrence with a \$300,000 policy aggregate
25, 35, Ultimate Consumer	Motor vehicle coverage: minimum \$5,000,000 (\$300,000 for state agencies) combined single limit for bodily injuries to or death of all individuals injured or killed in any one accident, and loss or damage to property of others in any one accident.

Figure: 16 TAC §14.2101(f)

§14.2101. Uniform Protection Requirements
Table 1

Requirements for Signs	LNG Vehicle Dispenser/Refueling Area	Emergency Shutdown Devices	LNG Loading or Unloading Area
Red capital letters at least 2" high on white background: NO SMOKING OR OPEN FLAMES	*		*
Red capital letters at least 4" high on white background: FLAMMABLE GAS			*
Black capital letters at least 4" high on white background: NO TRESPASSING AUTHORIZED PERSONNEL ONLY			*
Capital letters at least 2" high FLAMMABLE GAS	*		*
White capital letters at least 2" high on red background: EMERGENCY SHUTDOWN		*	
White capital letters at least 2" high on red background: EMERGENCY PUMP/COMPRESSOR SHUTDOWN		*	
Letters at least 2" high: PRESSURE RELIEF DEVICE SET AT _____			*
Letters at least 4" high: Name of Licensee	*		*

Figure: 16 TAC §14.2637(a)

**§14.2637. Signs and Labeling
Table 1**

Requirements for Signs or Labels	Fueling Connection Receptacle	Engine Compartment
Capital letters at least 2" high (any color letters with contrasting background): LNG FUELED VEHICLE	*	*
Any color letters with contrasting background: Name of Licensee and License Number (not required for systems installed by OEM or OEM's subcontractor)		*
Any color letters and numbers with contrasting background: Maximum allowable working pressure _____	*	
Any color letters with contrasting background: Container Capacity _____ Gallons	*	

Figure: 16 TAC §14.2803

NFPA 52 Sections with Additional Requirements or Not Adopted		
Affected NFPA 52 Section	Specific Action	Commission Rule(s) to be Followed or Other Comments
1.4.3	additional requirement	See Commission rule §14.2025, Designation and Responsibilities of Company Representatives and Operations Supervisors
4.1	additional requirement	See Commission rule §14.2019, Examination Requirements and Renewals
4.2	additional requirement	See Commission rule §14.2019, Examination Requirements and Renewals and §14.2025, Designation and Responsibilities of Company Representatives and Operations Supervisors
4.3	additional requirement	See Commission rule §14.2052, Application for an Exception to a Safety Rule
Chapter 5	not adopted	NFPA 52 Chapter 5 does not apply to LNG installations
Chapter 6	not adopted	NFPA 52 Chapter 6 does not apply to LNG installations
Chapter 7	not adopted	NFPA 52 Chapter 7 does not apply to LNG installations
Chapter 8	not adopted	NFPA 52 Chapter 8 does not apply to LNG installations
9.12.1.2	additional requirement	See Commission rule §14.2610, Installation of Vehicle Fuel Containers
10.4.1	additional requirement	See Commission rule §14.2319, Automatic Fuel Dispenser Safety Requirements
13.5	additional requirement	See Commission rule §14.2110, LNG Container Installation Distance Requirements
Chapter 14	not adopted	Commission rules in Chapter 14 do not cover marine installations

Figure: 16 TAC §14.2903

NFPA 59A Sections with Additional Requirements or Not Adopted		
Affected NFPA 59A Section	Specific Action	Commission Rule(s) to be Followed or Other Comments
9.4.2.3	additional requirement	See Commission rule §14.2416, Installation of Valves
9.4.2.4	additional requirement	See Commission rule §14.2416, Installation of Valves
11.6	additional requirement	See Commission rule §14.2119, Transport Vehicle Loading and Unloading Facilities and Procedures
11.8	additional requirement	See Commission rule §14.2122, Pumps and Compressors Used for LNG and Refrigerants and §14.2125, Hoses and Arms
12.7	additional requirement	See Commission rule §14.2131, Fire Protection
12.9.3	additional requirement	See Commission rule §14.2101, System Protection Requirements
13.2.3	additional requirement	See Commission rule §14.2101, System Protection Requirements
13.18.3.1	additional requirement	See Commission rule §14.2131, Fire Protection
14.9	additional requirement	See Commission rule §14.2019, Examination Requirements and Renewals