

REGULATIONS FOR

**COMPRESSED NATURAL
GAS AND LIQUEFIED
NATURAL GAS**



RAILROAD COMMISSION OF TEXAS

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Important Notice

The Regulations for Compressed Natural Gas (CNG) apply to the design, and installation of CNG engine fuel system on vehicles of all types; CNG systems used for compression, storage, sale, transportation, delivery, or distribution of CNG for any purpose; and all CNG mobile fuel systems. The regulations do not apply to 1) the production, transportation, storage, sale, or distribution of natural gas that is subject to the safety regulations promulgated under Subtitle A or B, Title 3, Texas Utilities Code; 2) pipelines, fixtures, equipment, or facilities to the extent that they are subject to the safety regulations promulgated and enforced by the Railroad Commission of Texas (Commission) pursuant to Natural Resources Code, Chapter 117, or Subchapter E, Chapter 121, Texas Utilities Code; or 3) the design and installation of any CNG system in ships, barges, sailboats, or other types of watercraft. Such installation is subject to the American Board and Yacht Council (ABYC) and any other applicable standards.

The Regulations for Liquefied Natural Gas (LNG) apply to the design, installation, and operation of 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. The regulations do not apply to locomotives, railcar tenders, marine terminals, or to the transportation, loading, or unloading of LNG on ships, barges, or other types of watercraft, or to 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, or to 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. From the point at which LNG in a system has been vaporized and converted to compressed natural gas (CNG), the equipment and components must comply with the Commission's Regulations for Compressed Natural Gas.

The rules in this publication are not consecutively numbered to allow for future expansion, so there may be a break in the numbering.

Revisions to the CNG and LNG regulations will occur after the date of this publication. It is your responsibility to comply with the CNG or LNG regulations in effect at the time the CNG or LNG activities are conducted or performed. The Railroad Commission's current CNG and LNG regulations can be viewed online at www.rrc.texas.gov/general-counsel/rules/current-rules/.

CNG and LNG forms are available for filling-in or viewing and printing online at www.rrc.texas.gov/alternative-fuels/alternative-fuels-forms. Choose the forms you want to view or print.

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To order additional copies of the CNG and LNG regulations, please contact the Railroad Commission's Central Records Section at ims@rrc.texas.gov or (512) 463-6882. Checks, money orders and MasterCard or Visa credit cards are accepted. To download or print additional copies, go to www.rrc.texas.gov/alternative-fuels/publications

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REGULATIONS FOR COMPRESSED NATURAL GAS (CNG)

SUBCHAPTER A – SCOPE AND DEFINITIONS

§13.1 Applicability, Severability, and Retroactivity

(a) This chapter applies to the design, installation, and operation of compressed natural gas (CNG) compression and dispensing systems; the design and installation of CNG 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 CNG .

(b) 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.

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

(d) Unless otherwise stated, the rules in this chapter are not retroactive. Any installation of a CNG system shall meet the requirements of this chapter at the time of installation.

(e) This chapter shall not apply to:

(1) the production, transportation, storage, sale, or distribution of natural gas that is subject to Commission jurisdiction under Subtitle A or B, Title 3, Texas Utilities Code;

(2) pipelines, fixtures, equipment, or facilities to the extent that they are subject to the safety regulations promulgated and enforced by the Railroad Commission of Texas pursuant to Natural Resources Code, Chapter 117, or Subchapter E, Chapter 121, Texas Utilities Code; or

(3) the design and installation of any CNG system in ships, barges, sailboats, or other types of watercraft. Such installation is subject to the American Board and Yacht Council (ABYC) and any other applicable standards.

(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 §13.24 of this title (relating to School Bus, Public Transportation, Mass Transit, and Special Transit Vehicle Installations and Inspections) .

§13.3 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) ANSI - American National Standards Institute.

(3) ASME - American Society of Mechanical Engineers.

(4) ASME Code - ASME Boiler and Pressure Vessel Code.

- (5) ASTM - ASTM International (formerly American Society for Testing and Materials).
- (6) Automatic dispenser - A CNG dispenser which is operated by a member of the general public and which requires transaction authorization.
- (7) Building - A structure with walls and a roof resulting in the structure being totally enclosed.
- (8) Cascade storage system - Storage in multiple cylinders.
- (9) Certificate holder - An individual:
- (A) who has passed the required management level or employee level examination pursuant to §13.70 of this title (relating to Examination and Exempt Registration Requirements and Renewal) and paid applicable fees; or
 - (B) who holds a current examination exemption pursuant to §13.70 of this title.
- (10) Certified - An individual who is authorized by the Commission to perform the CNG activities covered by the certification issued under §13.70 of this title.
- (11) CNG - See “Compressed natural gas” in this section.
- (12) CNG cargo tank - A container which complies with ASME or DOT specifications used to transport CNG for delivery.
- (13) CNG cylinder - A cylinder or other container designed for use or used as part of a CNG system.
- (14) CNG system - A system of safety devices, cylinders, piping, fittings, valves, compressors, regulators, dryers, gauges, relief devices, vents, installation fixtures, and other CNG equipment intended for use or used in any building or public place by the general public, or used in conjunction with a motor vehicle or mobile fuel system fueled by CNG, and any system or facilities designed to be used or used in the compression, sale, storage, transportation for delivery, or distribution of CNG in portable CNG cylinders, but does not include natural gas facilities, equipment, or pipelines located upstream of the outlet of the natural gas meter .
- (15) Commercial installation - Any CNG installation located on premises other than a single family dwelling used as a residence, or a private agricultural installation, including but not limited to a retail business establishment, school, convalescent home, hospital, retail CNG cylinder filling/exchange operation, service station, forklift refueling facility, or private motor/mobile fuel cylinder filling operation.
- (16) Commission - The Railroad Commission of Texas.
- (17) 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 CNG activities.
- (18) Compressed natural gas - Natural gas primarily consisting of methane (CH₄) in gaseous state that is compressed and used, stored, sold, transported, or distributed for use by or through a CNG system.
- (19) Container - A pressure vessel cylinder or cylinders permanently manifolded together used to store CNG.
- (20) Cylinder service valve - A hand-wheel operated valve connected directly to a CNG cylinder.
- (21) Director - The director of the AFS or the director’s delegate.
- (22) Dispensing installation - A CNG installation that dispenses CNG from any source by any means into fuel supply cylinders installed on vehicles or into portable cylinders.
- (23) DOT - The United States Department of Transportation.
- (24) Flexible metal hose - Metal hose made from continuous tubing that is corrugated for flexibility and, if used for

pressurized applications, has an external wire braid.

(25) Fuel supply cylinder - A cylinder mounted upon a vehicle for storage of CNG as fuel supply to an internal combustion engine.

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

(27) Licensed - Authorized by the Commission to perform CNG activities through the issuance of a valid license.

(28) Licensee - A person which has applied for and been granted a CNG license by the Commission.

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

(30) Metallic hose - Hose in which the strength of the hose depends primarily on the strength of metallic parts, including liners or covers.

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

(32) Mobile fuel system - A CNG system which supplies natural gas fuel to an auxiliary engine other than the engine used to propel the vehicle or for other uses on the vehicle.

(33) Motor fuel container - A CNG container mounted on a vehicle to store CNG as the fuel supply to an engine used to propel the vehicle.

(34) Motor fuel system - A CNG system to supply natural gas as a fuel for an engine used to propel the vehicle.

(35) Motor vehicle - A self-propelled vehicle licensed for highway use or used on a public highway.

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

(37) Outlet - A site operated by a CNG licensee from which any regulated CNG activity is performed .

(38) Person - An individual, partnership, firm, joint venture, association, corporation, or any other business entity, a state agency or institution, county, municipality, school district, or other governmental subdivision, or licensee.

(39) Point of transfer - The point where the fueling connection is made.

(40) Pressure relief device - A device designed to provide a means of venting excess pressure to prevent rupture of a normally charged cylinder.

(41) 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), or airport courtesy cars.

(42) 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.

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

(44) Residential fueling facility - An assembly and its associated equipment and piping at a residence used for the compression and delivery of natural gas into vehicles.

(45) 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.

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

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

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

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

(50) Transfer system - All piping, fittings, valves, pumps, compressors, meters, hoses, and equipment used in transferring CNG between containers.

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

(52) Ultimate consumer - The person controlling CNG immediately prior to its ignition.

§13.4 CNG 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. A person may file the prescribed form on paper or use any electronic filing process. Any form filed with the Commission shall be completed in its entirety. The Commission may at its discretion accept an earlier version of a prescribed form provided that it contains all required information.

§13.15. Penalty Guidelines and Enforcement

(a) 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 CNG 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.

(b) 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, permits, or certificates relating to CNG safety adopted under those provisions; and of regulations, codes, or standards that the Commission has adopted by reference.

(c) 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 CNG 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.

(d) 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:

- (1) the person’s history of previous violations;
- (2) the seriousness of the previous violations;
- (3) any hazard to the health or safety of the public; and
- (4) the demonstrated good faith of the person charged.

(e) 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 CNG 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 §13.15(e)
Table 1. CNG Penalty Schedule Guidelines

CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/ Rang
Tex. Nat. Res. Code, Chapter 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500
16 TAC §13.22	Odorization	\$1,000-2,500
16 TAC §13.24	Bus, public transportation, mass transit and special transit vehicle installations and inspections	\$100-500
16 TAC §13.25(c)	Filings for stationary installations Form 1501: 1-5 occurrences	\$100
16 TAC §13.25(c)	Filings for stationary installations Form 1501: 6-10 occurrences	\$200
16 TAC §13.25(c)	Filings for stationary installations Form 1501: >10 occurrences	\$500
16 TAC §13.25(b)	Filings for stationary installations Form 1500	\$1,000
16 TAC §13.34	Vehicle fuel connection	\$500

CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/ Rang
16 TAC §13.36	CNG incident/accident report	\$1,000
16 TAC §13.38	Removal from CNG service	\$1,000-2,500
16 TAC §13.39	Filing unapproved cylinders	\$500-1,500
16 TAC §13.40	Manufacturer's nameplates and ASME markings	\$1,000
16 TAC §13.61(d)	Performing CNG activities without proper license	\$500
16 TAC §13.61(g)	Copies of licenses and/or certifications	\$100
16 TAC §13.61(l)	Performing container manufacturing activities without proper registration	\$500
16 TAC §13.61(n)	License and manufacturer registration renewal lapse 1-2 months	\$500
16 TAC §13.61(n)	License and manufacturer registration renewal lapse 3-4 months	\$750
16 TAC §13.61(n)	License and manufacturer registration renewal lapse 5-6 months	\$1,000
16 TAC §13.61(n)	License and manufacturer registration renewal lapse more than 6 months	\$1,000-2,500
16 TAC §13.62	Insurance requirements	\$1,000
16 TAC §13.67	Change in ownership, form of dealership or name of dealership	\$250
16 TAC §13.69	Registration and transfer of transports	\$500-1,500
16 TAC §13.70(a)	Performing CNG activities without proper certifications	\$500
16 TAC §13.70(f)	Trainees	\$500-1,000
16 TAC §13.70(g)	General installers and repairman exemption	\$500-1,000
16 TAC §13.70(h)	Requirements for certificate holder renewal	\$250
16 TAC §13.72	Designation and responsibilities of company representatives and operations supervisor	\$500

CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/ Rang
16 TAC §13.73	Employee transfers	\$100
16 TAC §13.75	Franchise tax certification and assumed name certificate	\$500
16 TAC §13.93	General requirements	\$100-750
16 TAC §13.106	Maintenance	\$250-1,000
16 TAC §13.107	Dispenser accuracy	\$250
16 TAC §13.133	Installation of fuel supply cylinders	\$250-1,500
16 TAC §13.142	Maintenance and repair	\$250-1,000
16 TAC §13.143	Venting of CNG to atmosphere	\$250-750
16 TAC §13.187	Installation of pressure relief valves	\$100-500
16 TAC §13.190	Piping and hose	\$250-1,000
16 TAC §13.201	NFPA 52 adopted by reference unless otherwise listed	\$250-2,500
16 TAC §13.203	Sections in NFPA 52 not adopted by reference or adopted with changes or additional requirements	\$250-2,500
16 TAC §13.301	NFPA 55 adopted by reference unless otherwise listed	\$250-2,500
16 TAC §13.303	Sections in NFPA 55 not adopted by reference or adopted with changes or additional requirements	\$250-2,500

(f) 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 §13.15(f)
Table 2. CNG 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 CNG 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

(g) 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 §13.15(g)

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 §13.15(g)

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

(h) 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.

(i) 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.

(j) 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.

(k) 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 §13.15(k)
Table 5. CNG Penalty Worksheet

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
1	Tex. Nat. Res. Code, Chapter 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500	\$
2	16 TAC §13.22	Odorization	\$1,000-2,500	\$
3	16 TAC §13.24	Filing required for school and transit vehicles	\$100-500	\$
4	16 TAC §13.25(c)	Filings for stationary installations Form 1501: 1-5 occurrences	\$100	\$
5	16 TAC §13.25(c)	Filings for stationary installations Form 1501: 6-10 occurrences	\$200	\$
6	16 TAC §13.25(c)	Filings for stationary installations Form 1501: >10 occurrences	\$500	\$
7	16 TAC §13.25(b)	Filings for stationary installations Form 1500	\$1,000	\$
8	16 TAC §13.34	Vehicle fuel connection	\$500	\$
9	16 TAC §13.36	CNG incident/accident report	\$1,000	\$

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
10	16 TAC §13.38	Removal from CNG service	\$1,000-2,500	\$
11	16 TAC §13.39	Filing unapproved cylinders	\$500-1,500	\$
12	16 TAC §13.40	Manufacturer's nameplates and ASME markings	\$1,000	\$
13	16 TAC §13.61(d)	Performing CNG activities without proper license	\$500	\$
14	16 TAC §13.61(g)	Copies of licenses and/or certifications	\$100	\$
15	16 TAC §13.61(l)	Performing container manufacturing activities without proper registration	\$500	\$
16	16 TAC §13.61(n)	License and manufacturer registration renewal lapse 1-2 months	\$500	\$
17	16 TAC §13.61(n)	License and manufacturer registration renewal lapse 3-4 months	\$750	\$
18	16 TAC §13.61(n)	License and manufacturer registration renewal lapse 5-6 months	\$1,000	\$
19	16 TAC §13.61(n)	License and manufacturer registration renewal lapse more than 6 months	\$1,000-2,500	\$
20	16 TAC §13.62	Insurance requirements	\$1,000	\$
21	16 TAC §13.67	Change in ownership	\$250	\$
22	16 TAC §13.69	Registration and transfer of transports	\$500-1,500	\$

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
23	16 TAC §13.70(a)	Performing CNG activities without proper certifications	\$500	\$
24	16 TAC §13.70(f)	Trainees	\$500-1,000	\$
25	16 TAC §13.70(g)	General installers and repairman exemption	\$500-1,000	\$
26	16 TAC §13.70(h)	Requirements for certificate holder renewal	\$250	\$
27	16 TAC §13.72	Designation and responsibilities of company representatives and operations supervisor	\$500	\$
28	16 TAC §13.73	Employee transfers	\$100	\$
29	16 TAC §13.75	Franchise tax certification and assumed name certificate	\$500	\$
30	16 TAC §13.93	General requirements	\$100-750	\$
31	16 TAC §13.106	Maintenance	\$250-1,000	\$
32	16 TAC §13.107	Dispenser accuracy	\$250	\$
33	16 TAC §13.133	Installation of fuel supply cylinders	\$250-1,500	\$
34	16 TAC §13.142	Maintenance and repair	\$250-1,000	\$
35	16 TAC §13.143	Venting of CNG to atmosphere	\$250-750	\$
36	16 TAC §13.187	Installation of pressure relief valves	\$100-500	\$
37	16 TAC §13.190	Piping and hose	\$250-1,000	\$

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
38	16 TAC §13.201	NFPA 52 adopted by reference unless otherwise listed	\$250-2,500	\$
39	16 TAC §13.203	Sections in NFPA 52 not adopted by reference or adopted with changes or additional requirements	\$250-2,500	\$
40	16 TAC §13.301	NFPA 55 adopted by reference unless otherwise listed	\$250-2,500	\$
41	16 TAC §13.303	Sections in NFPA 55 not adopted by reference or adopted with changes or additional requirements	\$250-2,500	\$
42	Subtotal of typical penalty amounts from Table 1 (lines 1-41, inclusive)			\$
43	Reduction for settlement before hearing: up to 50% of line 42 amt.		_____ %	\$
44	Subtotal: amount shown on line 42 less applicable settlement reduction on line 43			\$
Penalty enhancement amounts for threatened or actual safety hazard from Table 2				
45	Death or personal injury	\$5,000-20,000	\$	
46	Taking facility out of service	\$1,000-5,000	\$	
47	Gas ignition or release requiring emergency response	\$1,000-15,000	\$	
48	Damage to CNG installation or vehicle	\$1,000-5,000	\$	
49	Property damage exceeding \$5,000	\$1,000-15,000	\$	
50	Rerouting of traffic or evacuation of premises	\$1,000-5,000	\$	

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
Penalty enhancement for severity of violation from Table 2				
51	Time out of compliance	\$100-\$2,000/mo.	\$	
52	Subtotal: amount shown on line 44 plus all amounts on lines 45-51, inclusive			\$
Penalty enhancements for culpability of person charged from Table 2				
53	Reckless conduct of person charged	Up to double line 52	\$	
54	Intentional conduct of person charged	Up to triple line 52	\$	
Penalty enhancements for number of prior violations within past seven years from Table 3				
55	One	\$1,000	\$	
56	Two	\$2,000	\$	
57	Three	\$3,000	\$	
58	Four	\$4,000	\$	
59	Five or more	\$5,000	\$	
Penalty enhancements for amount of penalties within past seven years from Table 4				
60	Less than \$10,000	\$1,000	\$	
61	Between \$10,000 and \$25,000	\$2,500	\$	
62	Between \$25,000 and \$50,000	\$5,000	\$	
63	Between \$50,000 and \$100,000	\$10,000	\$	

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
64	Over \$100,000	10% of total amt.	\$	
65	Subtotal: Line 52 amt. plus amt. on line 53 and/or 54 plus the amt. shown on any line from 55-64, inclusive			\$
66	Reduction for demonstrated good faith of person charged			\$
67	TOTAL PENALTY AMOUNT: amount on line 65 less any amount shown on line 66			\$

SUBCHAPTER B - GENERAL RULES FOR COMPRESSED NATURAL GAS (CNG) EQUIPMENT QUALIFICATIONS

§13.21 Applicability

The provisions of this subchapter apply to pressurized components of a CNG system, and are applicable to both engine fuel systems and compression, storage, and dispensing systems.

§13.22 Odorization

(a) In addition to NFPA 52 §5.2.1.1, compressed natural gas shall be odorized according to the provisions of Texas Utilities Code, §§121.251 and 121.252.

(b) Containers installed in accordance with NFPA 55 that will contain unodorized CNG shall be legibly marked “NON ODORIZED” or “NOT ODORIZED” on two opposing sides of the container.

§13.23 Installation and Maintenance

In addition to NFPA 52 §6.13.2, all CNG 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 CNG 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 CNG service and not be operated until the necessary repairs have been made.

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

- (a) After the manufacture of or the conversion to a CNG 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 CNG Form 1503 that the applicable CNG 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 the vehicle in compliance with the rules in this chapter and the statutes, the vehicle may be placed into CNG 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 complete inspection, the vehicle shall not be placed into CNG 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 CNG service.
 - (3) For public transportation vehicles only, if AFS does not conduct the initial inspection within 30 business days of receipt of CNG Form 1503, the vehicle may be operated in CNG 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.

§13.25 Filings Required for Stationary CNG Installations

- (a) General requirements. In addition to NFPA 52 §7.3.1, and NFPA 55 §4.1, no CNG container shall be placed into CNG service or an installation operated or used in CNG service until the requirements of this section, as applicable, are met and the facility is in compliance with the rules in this chapter and all applicable statutes, in addition to any applicable requirements of the municipality or the county where an installation is or will be located.
- (b) Installations with an aggregate storage capacity of 84,500 standard cubic feet or more . The storage capacity of each container is based on the container's operating pressure.
- (1) For installations with an aggregate storage capacity of 84,500 standard cubic feet or more , the licensee shall submit the following information to AFS at least 30 days prior to construction:
 - (A) CNG Form 1500;
 - (B) CNG Form 1500A 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) the location, types, and sizes of all CNG containers and compression and dispensing equipment already on site or proposed to be on site;
 - (ii) the distances from the containers, compression equipment, dispensing equipment, and material handling equipment to property lines, buildings on the same property, any electric transmission lines, and railroads . If the area where the container and/or compression equipment will be installed is a leased area or utility easement, the site plan shall indicate the boundaries of the leased area or utility easement, regardless of the size of the property in which the lease or easement lies;
 - (iii) any known potential hazards;
 - (iv) the location of CNG dispensers and their distance from any proposed container (the nearest container if more than one), property lines, buildings on the same property, roadways, and railroad track centerlines;
 - (v) the location of the nearest public sidewalk, highway, street, or road and its distance to containers and equipment;
 - (vi) the location of all sources of ignition;
 - (vii) the location of other types of aboveground fuel containers, the type of fuel stored, and the distance to CNG containers and dispensing equipment; and
 - (viii) the location of other types of fuel dispensers, the type of fuel dispensed, and the distance to CNG containers and dispensing equipment.
- (E) a nonrefundable fee of \$50 for the initial application, or a nonrefundable fee of \$30 for a 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 CNG cargo tanks.
- (2) Printed copies of site plans with a legend must be printed to the correct size for the legend or distance provided.
- (3) Prior to the installation of any individual CNG container, AFS shall determine whether the proposed installation constitutes a danger to the public health, safety, and welfare. 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. The applicant shall provide additional information if requested by AFS. AFS may impose restrictions or conditions on the proposed CNG installation based on one or more of the following factors:
- (A) nature and density of the population or occupancy of structures within 500 feet of the proposed or existing container locations;
 - (B) nature of use of property located within 500 feet of the CNG installation;
 - (C) type of activities on the installation's premises;
 - (D) potential sources of ignition that might affect a CNG leak;
 - (E) existence of dangerous or combustible materials in the area that might be affected by an emergency situation;

- (F) any known potential hazards or other factors material to the public health, safety, and welfare.
- (4) AFS shall notify the applicant in writing outlining its findings.
- (A) When AFS notifies an applicant of an incomplete CNG Form 1500 or CNG Form 1500A, 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.
- (B) 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.
- (5) If the application is administratively denied:
- (A) AFS shall specify the deficiencies in the written notice required in paragraph (3) of this subsection.
- (B) 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). If the 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 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:
- (i) the applicant has introduced CNG into the system prior to final approval;
 - (ii) 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
 - (iii) the installation constitutes a danger to the public health, safety, and welfare.
- (6) 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 shall submit a new application before the installation can be completed.
- (7) The applicant shall submit to AFS written notice of completed construction and the Commission shall complete the field inspection as specified in subsection (e) of this section. After the Commission has completed the inspection, the operator, pending the inspection findings, may commence CNG activities at the facility.
- (8) A licensee shall not be required to submit CNG Form 1500, CNG Form 1500A, or a site plan prior to the installation of dispensers, equipment, piping, or when maintenance and improvements are being made at an existing CNG installation.
- (9) 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 CNG Form 1500.
- (10) AFS may request CNG Form 1008, 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.

(11) For an installation that is a licensee outlet, the licensee shall submit CNG Form 1001A within 30 days of installation, in accordance with §13.61(j) of this title (relating to License Categories, Container Manufacturer Registration, Fees, and Application for Licenses, Manufacturer Registrations, and Renewals).

(c) Commercial installations with an aggregate storage capacity of less than 240 standard cubic feet water volume. The storage capacity of each container is based on the container's operating pressure.

(1) Within 10 calendar days following the completion of a commercial container installation, the licensee shall submit CNG Form 1501 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 CNG service.

(2) The licensee shall pay a nonrefundable fee of \$10 for each container, cascade, and compressor listed on the form. One fee is required for each cascade regardless of the number of cylinders in the cascade.

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

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

(3) CNG activities may commence prior to the submission of CNG Form 1501 if the facility is in compliance with the rules in this chapter.

(d) Physical inspection of stationary installations.

(1) Aggregate storage capacity of 240 standard cubic feet water volume or more. The applicant shall notify AFS in writing when the installation is ready for inspection.

(A) If any non-compliance items are cited at the time of AFS' initial inspection, the installation shall not be placed into CNG 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.

(B) 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.

(2) Aggregate storage capacity of less than 240 standard cubic feet water volume. After receipt of CNG Form 1501, 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 CNG service until the applicant corrects the non-compliance items.

(3) Material variances. If AFS determines the completed installation varies materially from the application originally accepted, correction of the variance and notification to AFS or resubmittal of the application is required. AFS' review of such resubmitted application shall comply with subsection (b)(3) of this section.

(4) 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.

§13.26 Notice of, Objections to, and Hearings on Proposed Stationary CNG Installations

(a) Notice of proposed stationary CNG installations.

(1) For a proposed installation with an aggregate storage capacity of 84,500 standard cubic feet or more, an applicant shall send a copy of the filings required under §13.25 of this title (relating to Filings Required for Stationary CNG 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 storage capacity of the installation is more than doubled in a 12-month period; or

(B) the resulting aggregate storage capacity of the installation will be more than 1,014,000 standard cubic feet.

(b) Objections to proposed stationary CNG 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 CNG Form 1500A sent to them by the applicant. An objection is considered timely filed when it is actually received by the Commission. AFS shall review all objections within 10 business days of receipt. An objection shall be in writing and shall include a statement of facts showing that the proposed installation:

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

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

(C) 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 §13.71 of this title (relating to Hearing for Denial, Suspension, or Revocation of Licenses, Manufacturer Registrations, or Certificates); 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) Hearings on stationary CNG 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 CNG into the system prior to final approval; or

(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.

§13.34 Vehicle Fueling Connection

In addition to NFPA 52 §6.9.3, the refueling connection on an engine fuel system shall be firmly supported, and shall:

(1) receive the fueling connector and accommodate the service pressure of the vehicle fuel system;

(2) incorporate a means to prevent the entry of dust, water, and other foreign material. If the means used is capable of sealing system pressure, it shall be capable of being depressurized before removal; and

(3) have a fueling connection appropriate for the pressure of the vehicle fuel system.

§13.35 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 55 requirements, a person may apply for an exception to the provisions of this chapter by filing CNG Form 1025 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 supports 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.

(1) The applicant shall send a copy of CNG Form 1025 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 date of postmark. The applicant shall file all return receipts with AFS as proof of notice.

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

(A) the Texas Department of Public Safety; and

(B) all CNG loading and unloading facilities utilized 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 administratively grant 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 for hearing to the Hearings Division.

(f) Applicants intentionally submitting incorrect or misleading information are subject to penalties in the 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.

§13.36 Report of CNG 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 CNG which:

- (1) caused a death or personal injury requiring hospitalization;
- (2) required taking an operating facility out of service;
- (3) resulted in unintentional gas ignition requiring emergency response;
- (4) meets the requirements of subsection (c) of this section;
- (5) caused an estimated damage to the property of the operator, others or both totaling \$50,000 or more, including gas loss;
- (6) involves a single release of CNG during or following CNG transfer or during container transportation. Any loss of CNG which is less than 1.0% of the gross amount delivered, stored, or withdrawn need not be reported. However, any loss occurring as a result of a pullaway shall be reported;
- (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 the United States Department of Transportation).

(b) 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 reporting operator;
- (3) phone number of operator;
- (4) location of leak or incident;
- (5) personal injuries and/or fatalities;
- (6) whether fire, explosion, or gas leak has occurred;
- (7) status of gas leak or other immediate hazards; and

- (8) other significant facts relevant to the incident; and
- (9) whether immediate assistance from AFS is requested.

(c) Any transport unit required to be registered with AFS in accordance with §13.69 of this title (relating to Registration and Transfer of CNG Cargo Tanks and Delivery Units) which is involved in an accident where there is damage to the tank, piping or appurtenances, or any release of CNG resulting from an accident shall be reported to AFS in accordance with this section regardless of the accident location. Any CNG powered motor vehicle used for school transportation or mass transit including any state owned vehicle which is involved in an accident resulting in a substantial release of CNG or damage to the CNG conversion equipment shall be reported to AFS in accordance with this section regardless of accident location.

(d) Following the initial telephone report, the licensee who made the telephonic report shall submit CNG Form 1020 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 CNG Form 1020 and notify in writing the person submitting CNG Form 1020 if the report is incomplete and specify in detail what information is lacking or needed. Incomplete reports may delay the resumption of CNG activities at the involved location.

§13.37 Appurtenances and Equipment

(a) In addition to NFPA 52 §5.3.1, all appurtenances and equipment placed into CNG service shall be certified, marked, or listed by a nationally recognized laboratory such as Underwriters Laboratory (UL), Factory Mutual (FM), CSA International, or such other laboratories approved by AFS unless:

- (1) it is specifically prohibited for use by another section of this chapter; or
- (2) there is no test specification or procedure developed by the testing laboratory for the appurtenance or equipment.

(b) In addition to NFPA 52 §1.4.1, appurtenances and equipment that cannot be listed but are not prohibited for use by the rules in this chapter shall be acceptable for CNG service provided the appurtenances and equipment are installed in compliance with the applicable rules in this chapter.

(c) In addition to NFPA 52 §1.4.1.2, the licensee or operator of the appurtenances 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.

(d) Compliance under this section does not ensure conformity with other state and federal regulations, such as those of the Texas Commission on Environmental Quality or its successor agencies.

(e) Components of CNG stationary installations which are not specifically covered by the rules in this chapter shall not be placed into service until AFS has determined the installation complies with the rules in this chapter. AFS may require any change to a proposed stationary installation which the Commission may consider necessary to ensure the CNG installation is safe for CNG service. If the affected party disagrees with AFS' determination, the party may request a hearing as described in §13.15 of this title (relating to Penalty Guidelines and Enforcement). However, the installation shall not be placed into CNG operation until the Commission has determined the installation complies with the rules of this chapter.

§13.38 Removal From CNG Service

- (a) In addition to NFPA 55 §§7.1.14 and 7.1.15 and for any installations subject to NFPA 52 requirements, if AFS determines that any CNG cylinder or installation constitutes an immediate danger to the public health, safety, and welfare, AFS shall require the immediate removal of all CNG 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.

§13.39 Filling Unapproved Containers Prohibited

A licensee or the licensee's employees shall not introduce CNG into any container if the licensee or employee has knowledge or reason to believe that such container, cylinder, piping, or system is unsafe or is not installed in accordance with Texas Natural Resources Code, Chapter 116, or the rules in this chapter. This section does not apply to motor fuel or mobile fuel containers and systems installed on vehicles licensed in states other than Texas.

§13.40 Manufacturer's Nameplates and Markings on ASME Containers

- (a) In addition to NFPA 52 §5.4.5.1 and NFPA 55 §7.1.6.1, compressed natural gas (CNG) shall not be introduced into any American Society of Mechanical Engineers (ASME) container which is not equipped with a manufacturer's original or replacement nameplate permanently attached to the container or has the required information stamped directly on the vessel. No ASME container manufactured on or after November 1, 1994, shall be used in the State of Texas unless it has attached to it a stainless steel manufacturer's nameplate or the required information is visibly stamped directly on the vessel. If the nameplate is attached, it shall be attached in a manner that will minimize corrosion of the nameplate or its attachments or that will not contribute to the corrosion of the container.
- (b) If the nameplate is attached directly to the container, the nameplate thickness shall be sufficient to resist distortion due to the application of markings and fusion welding.
- (c) Container nameplates shall be stamped or etched with the following information in legible characters:
- (1) the mark or symbol approved by ASME indicating compliance with the provisions of the ASME Pressure Vessel Code;
 - (2) the name and address of the manufacturer;
 - (3) the capacity of the container in standard cubic feet;
 - (4) the maximum allowable working pressure of the container in pounds per square inch (psi);
 - (5) the thickness of the material used in both the shell and heads;

- (6) the overall length of the container, the outside diameter of the container, and the dish radius of the heads;
- (7) the serial number of the container; and
- (8) the date of manufacture.

(d) Nameplates attached to or markings on the container shall remain visible after installation of the containers.

(e) Containers manufactured prior to November 1, 1994, which may have corroded or rusted nameplates shall have the following minimum information readable on the manufacturer's nameplate:

- (1) name of the container manufacturer;
- (2) manufacturer's serial number;
- (3) working pressure; and
- (4) capacity.

SUBCHAPTER C - CLASSIFICATION, REGISTRATION, AND EXAMINATION

§13.61 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)-(7) of this section. Fees required to be paid by subsection (b)(1) - (7) of this section shall be paid at the time of application or renewal.

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

- (1) A Category 1 license for container assembly and repair authorizes the assembly, repair, testing, sale, installation, and subframing of ASME or DOT CNG containers. A Category 1 license includes all activities covered by both the Category 1A and 1B licenses. The original license fee is \$1,000; the renewal fee is \$600.
- (2) A Category 1A license for ASME container assembly and repair authorizes the assembly, repair, testing, sale and installation of ASME containers. The original license fee is \$1,000; the renewal fee is \$600.
- (3) A Category 1B license for U.S. Department of Transportation (DOT) container assembly and repair authorizes the assembly, repair, testing, sale, installation, and subframing, of CNG DOT containers. The original license fee is \$1,000; the renewal fee is \$600.
- (4) A Category 2 license for general installers and repairmen authorizes the sale, installation, service, or repair of CNG systems, including cylinders. The original license fee is \$300; the renewal fee is \$150.
- (5) A Category 3 license for retail and wholesale dealers authorizes the sale, storage, transportation for delivery, or dispensing of CNG for use other than by an ultimate consumer, and the sale, installation, service, or repair of CNG systems as set out in Categories 2, 5, and 6. The original license fee is \$750; the renewal fee is \$300.
- (6) A Category 4 license for testing laboratories authorizes the testing of CNG cylinders. The original license fee is \$400; the renewal fee is \$200.

- (7) A Category 5 license for service stations or cylinder exchangers authorizes the operation of a CNG service station, including filling CNG cylinders, or the operation of a cylinder exchange dealership, including filling CNG cylinders, the sale of CNG in cylinders, the sale of CNG cylinders, and the replacement of cylinder valves. The original license fee is \$150; the renewal fee is \$70.
- (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 §13.76 of this title (relating to Military Fee Exemption). An individual who receives a military fee exemption is not exempt from the renewal or transport registration fees specified in subsection (n) of this section and §13.69 of this title (relating to Registration and Transfer of CNG Cargo Tanks or Delivery Units).
- (d) In addition to NFPA 55 §7.1.12, no person may engage in CNG activities until that person has obtained a license from the Commission authorizing that activity, 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 CNG activities on its own behalf, but is required to obtain a license to perform CNG activities for or on behalf of a second party.
 - (2) An ultimate consumer is not subject to the licensing requirements of this chapter in order to perform those CNG 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.
 - (3) An original manufacturer of a new motor vehicle powered by CNG or a subcontractor of a manufacturer who produces a new CNG 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.
- (e) A license obtained by an individual, partnership, corporation, or other legal entity shall extend to the entity's employees who are performing CNG activities, provided that each employee is properly certified as required by this chapter.
- (f) An applicant for license shall not engage in CNG activities until it has employed a company representative who meets the requirements of §13.72 of this title (relating to Designation and Responsibilities of Company Representative and Operations Supervisor).
- (g) Licensees, registered manufacturers, company representatives, and operations supervisors at each outlet shall have copies of all current licenses and/or manufacturer registrations 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 CNG 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.
- (h) Licenses or manufacturer registrations issued under this chapter expire one year after issuance at midnight on the last day of the month previous to the month in which they are issued.
- (i) If a license or registration expires, the person shall immediately cease CNG activities.
- (j) Applicants for a new license shall file with AFS:
- (1) a properly completed CNG Form 1001 listing all names under which CNG 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) CNG Form 1001A if the applicant will operate any outlets pursuant to subsection (j) of this section;
 - (B) CNG Form 1007 and any information requested in §13.69 of this title if the applicant intends to

register any CNG cargo tanks or container delivery units;

(C) CNG Form 1019 if the applicant will be transferring the operation of one or more existing retail service stations;

(D) any form required to comply with §13.62 of this title (relating to Insurance Requirements);

(E) a copy of current certificate of account status if required by §13.75 of this title (relating to Franchise Tax Certification and Assumed Name Certificate); and/or

(F) copies of the assumed name certificates if required by §13.75 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 receipt.

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

(k) A licensee shall submit CNG Form 1001A listing all outlets operated by the licensee.

(1) Each outlet shall employ an operations supervisor who meets the requirements of §13.72 of this title.

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

(l) Beginning February 15, 2021, a prospective container manufacturer may apply to AFS to manufacture CNG containers in the state of Texas. Beginning February 15, 2021, a person shall not engage in the manufacture of CNG 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 CNG Form 1001M, and the following forms or documents as applicable:

(A) any form required by §13.62 of this title;

(B) a copy of current certificate of account status if required by §13.75 of this title;

(C) copies of the assumed name certificates if required by §13.75 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 CNG Form 1001M, 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 CNG Form 1001M. 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 CNG containers in Texas.

(m) 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 the licensee or manufacturer, as applicable.

(n) 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 CNG Forms 1001, 1001A, and 1007, or CNG Form 1001M 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 CNG 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 subsections (a) and (k) of this section, respectively.

(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 longer, that person shall not renew, but shall comply with the requirements for issuance of an original license or manufacturer registration under subsections (i) or (k) of this section.

(9) After verification that the license 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.

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

(1) An applicant for a Category 4 license or renewal shall file with AFS a completed CNG Form 1505, certifying that the applicant will follow the testing procedures indicated. CNG Form 1505 shall be signed by the appropriate CNG company representative designated on CNG Form 1001.

(2) An applicant for Category 1 or 4 license or renewal who tests tanks, subframes CNG 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 49, 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).

§13.62 Insurance Requirements

(a) A licensee or registered manufacturer shall not perform any activity authorized by its license or registration under §13.61 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. CNG 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, with the self-insurance requirements in §13.63 of this title (relating to Self-Insurance Requirements), or the irrevocable letter of credit requirements in §13.64 of this title (relating to Irrevocable Letter of Credit), if applicable. Registered manufacturers are not eligible for self-insurance. Before AFS grants or renews a manufacturer registration, an applicant for 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:

- (1) an insurance Acord™ form or any other form approved by the Texas Department of Insurance that has been prepared and signed by the insurance carrier containing all required information. The forms must be issued by an insurance company authorized or accepted by the Texas Department of Insurance;
- (2) properly completed documents demonstrating the applicant's compliance with the self insurance requirements in §13.63 of this title; or
- (3) properly completed documents demonstrating the applicant's compliance with the irrevocable letter of credit requirements in §13.64 of this title.

**Table 1 — Figure: 16 TAC §13.62(a)
§13.62. INSURANCE REQUIREMENTS**

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 pre-injury income for at least 52 weeks, subject to a maximum weekly wage calculated annually by the Texas Workforce Commission
2, 5, 6 and Registered Manufacturers	General liability coverage including: premises and operations in an amount not less than \$25,000 per occurrence and \$50,000 aggregate
1, 1A, 1B 3, 4 and Registered Manufacturers	Completed operations and products liability insurance in an amount not less than \$300,000 aggregate
3 and Ultimate Consumer	Motor vehicle coverage: minimum \$500,000 combined single limit for bodily injuries to or death of all persons injured or killed in any one accident, and loss or damage to property of others in any one accident

(b) A licensee, applicant for license, or an ultimate consumer that does not operate or contemplate operating a motor vehicle equipped with a CNG cargo container or does not transport or contemplate transporting CNG by vehicle in any manner may file CNG Form 1997B 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 a CNG cargo container or transporting CNG by vehicle in any manner.

- (c) 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 CNG Form 1998B 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.
- (d) A licensee or applicant for license that does not employ or contemplate employing anyone to be engaged in CNG related activities in Texas may file CNG Form 1996B in lieu of filing a workers' compensation insurance form, including employer's 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 CNG related work.
- (e) A licensee, registered manufacturer, or applicant for a license or manufacturer registration that does not engage in or contemplate engaging in any CNG activities that would be covered by completed operations or products liability insurance, or both, may file CNG Form 1998B in lieu of 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 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.
- (g) Each licensee or registered manufacturer shall file CNG Form 1999 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 .
- (h) Each licensee or registered manufacturer shall promptly notify AFS of any change in insurance coverage or insurance carrier by filing a revised Acord™ 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 §13.63 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 workers' 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 §13.63 or §13.64 of this title. CNG Form 1995 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.

§13.63 Self-Insurance Requirements

- (a) General qualifications. AFS may approve the application of a CNG licensee to qualify as a self insurer if such licensee furnishes a true and accurate statement of its financial condition and other evidence which establishes to the satisfaction of AFS the ability of such licensee to satisfy its obligations for the minimum insurance requirements specified in §13.62 of this title (relating to Insurance Requirements). Registered manufacturers are not eligible for self-insurance. This section shall not apply to AFS' licensing requirements for worker's compensation insurance, including employer's liability coverage.
- (b) Applicant guidelines. In addition to filing a CNG Form 1027, Application for Qualification as Self Insurer, an

applicant applying for self insurer status covering general liability, including premises and operations coverage, shall submit materials that 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 should demonstrate that it will maintain a net worth sufficient to ensure that it will be able to meet its statutory obligations to the public to pay all claims relating to general liability, including premises and operations coverage in the event of a claim;

(2) the applicant has a sound self insurance program. The applicant shall demonstrate that it has established, and will maintain an insurance program that will protect the public against all claims involving CNG activities to the same extent as the minimum limits applicable pursuant to Table 1 in §13.62(a) of this title (relating to Insurance Requirements). Such a program may include, but not be limited to, one or more of the following:

- (A) reserves;
- (B) sinking funds;
- (C) third party financial guarantees;
- (D) parent company or affiliate sureties;
- (E) excess insurance coverage; or
- (F) other similar arrangements; and

(3) the applicant presents evidence that it meets the requirements for motor carrier self insurance promulgated by the Texas Department of Transportation.

- (c) Other securities or agreements. AFS may consider applications for approval of other securities or agreements, or may require any other document(s) which may be necessary to ensure such application satisfies that the security or agreement offered will afford adequate security for protection of the public.
- (d) Periodic reports. The applicant shall file with semiannual reports and annual statements reflecting the applicant's financial condition 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.
- (e) Duration of self insurer status. AFS may approve the applicant as a self insurer for any specific time period, or for an indefinite period until revoked by AFS.
- (f) Revocation of a self insurer status. AFS may at any time, upon 10 days notice to the applicant, 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 so demonstrate, its self insurer status shall be revoked and it may be 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 general liability and/or motor vehicle liability insurance or workers' compensation coverage of §13.62 of this title if permitted by the Texas Workers' Compensation Act, Texas Labor Code, Title 5, Subtitle A; and the Texas Natural Resources Code, §116.036, by submitting CNG Form 1995 to AFS.

§13.64 Irrevocable Letter of Credit

When an applicant submits CNG Form 1028, Application to use Irrevocable Letter of Credit, as an alternative to insurance, letters of credit shall be subject to the following conditions:

- (1) the letter may only be issued by a federally chartered and federally insured bank authorized to do business in the United States;
- (2) the letter of credit must be irrevocable during their terms;
- (3) the letter must be payable to the Commission in part or in full upon demand and receipt from the Commission of a notice of forfeiture;
- (4) this section shall not apply to AFS' licensing requirements for worker's compensation insurance, including employer's liability coverage.

§13.66 Limitation/Avoidance of Licensee Liability

- (a) A compressed natural gas (CNG) licensee may not limit or avoid its liability or that of its insurer for damages proximately caused by any negligent act or acts of the licensee in handling CNG.
- (b) An attempt to limit or avoid liability before the negligent act or acts, through indemnity clauses or otherwise, shall be null and void.
- (c) This section does not apply to negotiations and/or settlements made subsequent to the recognition by the parties to a contract of the licensee's negligent act or acts.
- (d) To the extent that any damage occurring during or subsequent to any of the following acts does not proximately result from any negligent act of the licensee, the licensee may limit liability based on the following:
 - (1) unauthorized, unsafe, or improper applications of CNG and/or CNG systems or equipment by any user or other person;
 - (2) any use or operation of CNG and/or CNG systems or equipment contrary to the specific representations made by any user or other person to a CNG licensee during or preceding installations or servicing of such CNG systems or equipment and relied upon by such CNG licensee in selecting, designing, installing, or servicing such systems or equipment; or
 - (3) any modification, change, installation, alteration, tampering, or other action by any unlicensed person, to or upon any CNG system or equipment.

§13.67 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 CNG activities to be performed at the dealership or outlet or shall apply for and be issued a CNG license or manufacturer registration prior to engaging in any CNG activities which require a license or manufacturer registration. The purchaser, lessee, or donee shall notify AFS by filing a properly completed CNG Form 1001

or CNG Form 1001M prior to engaging in any CNG activities at that dealership or outlet which require a CNG 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 CNG activities of the previously existing dealership which require a CNG license or manufacturer registration and shall not resume until AFS issues a CNG 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 authorizing the CNG activities to be performed or shall apply for and be issued a license or manufacturer registration before engaging in any CNG activities which require a CNG 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 CNG activities under the new name. The licensee or registered manufacturer shall file:

- (1) an amended CNG Form 1001 or CNG Form 1001M;
- (2) an amended CNG Form 1001A, 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 §13.63 of this title (relating to Self-Insurance Requirements) or both; and
- (5) any other forms required by AFS.

(d) Company representative and operations supervisor. 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 §13.72 of this title (relating to Designation and Responsibilities of Company Representative and Operations Supervisor).

(e) For good cause shown, the AFS director may grant a temporary exception of 30 days or less to the examination requirements for company representatives and operations supervisors. Good cause includes but is not limited to the death of a sole proprietor or partner. An applicant for a temporary exception shall comply with applicable safety requirements and submit to AFS information showing the exception will not be hazardous to the public.

§13.69 Registration and Transfer of CNG Cargo Tanks or Delivery Units

(a) All CNG cargo tanks shall comply with US DOT Code of Federal Regulations (CFR) or Transport Canada (TC) Transportation of Dangerous Goods (TDG).

(b) A person who operates a transport unit, regardless of who owns the unit, shall register such unit with AFS in the name or names under which the operator conducts business in Texas prior to the unit being used in CNG 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 unit;
 - (B) file a properly completed CNG Form 1007;
 - (C) file a copy of the manufacturer's data report;
 - (D) file a copy of the US DOT special permit under which the container is built; and
 - (E) file a copy of the most recent test required by the US DOT special permit under which the container was built.

(2) To register a unit 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 a properly completed CNG Form 1007; and
- (C) file a copy of the latest test results if an expired unit has not been used in the transportation of CNG for over one year, or if a current test has not been filed with AFS.

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

- (A) pay the \$100 transfer fee for each unit; and
- (B) file a properly completed CNG Form 1007.

(4) To re register a currently registered unit, the licensee operating the unit shall pay a \$270 annual registration fee.

(c) When all registration or transfer requirements have been met, AFS shall issue CNG Form 1004 which shall be properly affixed in accordance with the placement instructions on the form. CNG Form 1004 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 CNG and to fill the transport containers.

- (1) A person shall not operate a CNG transport or cylinder delivery unit in Texas unless the CNG Form 1004 has been properly affixed or unless its operation has been specifically approved by AFS.
- (2) A person shall not introduce CNG into a transport container unless that unit bears a CNG Form 1004 or unless specifically approved by AFS.
- (3) CNG Form 1004 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 CNG service.
- (4) This subsection shall not apply to:
 - (A) a container manufacturer/fabricator who introduces a reasonable amount of CNG 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 CNG 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 500 cubic feet of CNG 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 a CNG Form 1004 if AFS or a Category 1 or 4 licensee determines that the transport is

unsafe for CNG service.

(6) If a CNG Form 1004 decal on a unit currently registered with AFS is destroyed, lost, or damaged, the operator of that vehicle shall obtain a replacement by filing CNG Form 1018B and a \$50 replacement fee with AFS.

§13.70 Examination and Exemption Registration Requirements and Renewals

(a) Requirements and application for a new certificate.

(1) In addition to NFPA 52 §§1.4.3 and 4.2, and NFPA 55 §4.7, no person shall perform work, directly supervise CNG activities, or be employed in any capacity requiring contact with CNG unless that individual is employed by a licensee and:

(A) is a certificate holder who is in compliance with renewal requirements in subsection (h) of this section;

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

(C) holds a current examination exemption pursuant to subsection (g) of this section.

(2) Any person transporting CNG 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 mail a certificate to the licensee listed on the CNG Form 1016. If a licensee is not listed on the form, the certificate will be mailed to individual's personal address.

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

(B) An individual who has been issued a certificate shall make it readily available and shall present the certificate 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 CNG Form 1016; and

(B) payment of the applicable fee specified in this subsection;

(3) An individual who files CNG Form 1016 and pays the applicable nonrefundable examination fee may take the rules examination.

(A) Dates and locations of available Commission CNG 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 the requirements in §13.76 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 (h) of this section.

(C) Time limits.

- (i) An applicant shall complete the examination within 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 CNG 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 AFS to perform such CNG activities shall be properly trained by a competent person in the safe performance of such CNG activities.

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

(1) Employee level examinations:

(A) The Service and Installation Technician examination qualifies an individual to perform all CNG activities related to stationary CNG systems, including CNG containers, piping, and equipment. The Service and Installation examination does transport.

(B) The Delivery Truck Driver examination qualifies an individual to operate a cargo tank or cylinder delivery unit, load and unload CNG and connect and disconnect transfer hoses, operate a cylinder delivery unit, perform all activities related to stationary CNG systems, including CNG containers, piping and equipment, and inspect, fill, disconnect, and connect CNG cylinders.

(C) The Cylinder Filler examination qualifies an individual to inspect, fill, disconnect, and connect CNG cylinders.

(2) Management level examinations:

(A) Category 1 examination qualifies an individual to assemble, repair, test, sell, install, and subframe ASME and DOT containers.

(B) Category 1A examination qualifies an individual to assemble, repair, test, sell, install, and subframe ASME containers.

(C) Category 1B examination qualifies an individual to assemble, repair, test, sell, install, and subframe DOT containers.

(D) Category 2 examination qualifies an individual to sell, install, service, and repair CNG systems, including cylinders.

(E) Category 3 examination qualifies an individual to sell, store, transport for delivery and dispense CNG for use other than by an ultimate consumer, and to sell, install, service, and repair CNG systems as described in Category 2 and 5 examinations.

(F) Category 4 examination qualifies an individual to test CNG cylinders.

(G) Category 5 examination qualifies an individual to operate a CNG service station, including filling CNG cylinders, or operate a cylinder exchange dealership, including filling CNG cylinders, selling CNG in cylinders, selling CNG cylinders, and replacing cylinder valves.

(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 CNG 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 examinations 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 or registered as specified in subsection (g) 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 calendar days, in any combination and with any number of employers, shall cease to perform any CNG activities for which the trainee is not certified until the trainee successfully completes the rules examination.

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

(g) General installers and repairmen exemption.

(1) Any individual who is currently licensed as a master or journeyman plumber by the Texas State Board of Plumbing Examiners or who is currently licensed with a Class A or B Air Conditioning and Refrigeration Contractors License issued by the Texas Department of Licensing and Regulation may register with AFS and be granted an exemption to the service and installation technician employee-level examination requirements provided the applicant:

(A) holds an active license in compliance with Texas Occupations Code, §1302.260, relating to Issuance and Term of License, and §1301.351, relating to License, Endorsement, or Registration Required;

(B) submits a completed CNG Form 1016B;

(C) submits the required \$30 original filing fee, except as described in paragraph (8) of this subsection;

(D) submits a legible copy of a current Air Conditioning and Refrigeration Contractors License or Master/Journeyman Plumbers certificate; and

(E) submits a legible copy of a current picture state-issued identification card or driver's license.

(2) This exemption does not become effective until the examination exemption card is issued by AFS.

(3) The examination exemption accrues to the individual and is nontransferable. An exemption does not allow other individuals to perform CNG related activities under the supervision of the registered individual. Each individual performing CNG related activities must be registered or certified by examination in accordance with subsection (a) of this section.

(4) Any individual granted such exemption shall maintain registered status at all times. Upon failure to maintain registered status, the individual shall immediately cease all affected CNG activities until proper status has been regained.

(5) In order to maintain an exemption, each individual issued an examination exemption card must maintain a valid master or journeyman plumbers license or Class A or B Air Conditioning and Refrigeration Contractors license. Each individual shall also pay a \$20 annual renewal fee to AFS on or before May 31 of each year. Failure to pay the annual renewal fee by May 31 shall result in a lapsed exemption. If an individual's exemption lapses, that individual shall cease all CNG activities until the exemption has been renewed. To renew a lapsed exemption, the individual shall pay the \$20 annual renewal fee plus a \$20 late filing fee. Failure to do so shall result in the expiration of the examination exemption. If the individual's examination exemption has been expired for more than two years, the individual shall complete all requirements necessary to apply for a new exemption.

(6) Individuals issued an exemption must maintain a valid master or journeyman plumbers license or ACR Contractors license to renew their Commission registration.

(7) Any individual who is issued an exemption under this subsection agrees to comply with the current edition of the rules in this chapter. In the event the exempt individual surrenders, fails to renew, or has the license revoked either by the Texas State Board of Plumbing Examiners or Texas Department of Licensing and Regulation, that individual shall immediately cease performing any CNG activity granted by this section.

(8) A military service member, military veteran, or military spouse shall be exempt from the original registration fee pursuant to the requirements in §13.76 of this title. An individual who receives a military fee exemption is not exempt from renewal fees specified in subsection (h) of this section.

(h) Requirements for certificate holder renewal.

(1) In order to maintain active status, certificate holders shall renew their certificate or exemption 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 CNG 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 (a) of this section.

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

§13.71 Hearings for Denial, Suspension, or Revocation of Licenses, Manufacturer Registrations, or Certificates

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

(1) 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 applicant that the application may be resubmitted within 30 calendar days of receipt of the denial with all cited deficiencies corrected, or, if the applicant disagrees with AFS' determination, the applicant may request a hearing in writing on the matter within 30 calendar days of receipt of the notice of denial.

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

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

(1) 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 must be in writing, must refer to the specific requirements the applicant claims were met, and must be received in the Commission's Austin office within 30 days of the applicant's receipt of the notification of denial.

(2) Upon receipt of a request complying with paragraph (1) of this subsection, AFS shall forward the request for a hearing to the Hearings Division for the purpose of scheduling a hearing within 30 calendar days following the receipt of the request for hearing to determine the applicant's compliance or noncompliance with applicable requirements.

(3) 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.

(4) 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.

(c) Suspension and revocation of licenses, manufacturer registrations, or certificates.

(1) 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 the Texas Natural Resources Code, Chapter 116, or this chapter, AFS shall notify the licensee, registered manufacturer, or certificate holder of the alleged violation or noncompliance in writing.

(2) 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 certificate holder receives the notice by which the violation or noncompliance must 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 certificate holder 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.

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

(d) Hearing regarding suspension or revocation of licenses, manufacturer registrations, and certificates.

(1) If a licensee, registered manufacturer, or certificate holder disagrees with the determination of AFS under this section, that licensee or certified individual may request a public hearing on the matter to be conducted 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 person claims were met, and shall be received by AFS within 30 calendar days of the person's receipt of the notice of violation or noncompliance.

(2) AFS shall forward the request for hearing to the Hearings Division.

§13.72 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 CNG Form 1001 with AFS listing the physical location of the first outlet and designating the company representative for the license and file CNG Form 1001A 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 CNG certified employee responsible for the CNG 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.

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

(7) A licensee shall cease CNG 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 CNG 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 CNG activities conducted by the licensee, including all equipment, container, product, and system activities;
 - (3) have a working knowledge of the licensee's CNG 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 CNG 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 CNG activities of the licensee at the designated outlet.

§13.73 Employee Transfers

- (a) A licensee or ultimate consumer shall notify AFS when a certificate holder or individual with an examination exemption is hired by filing CNG Form 1016A and a nonrefundable \$10 fee with AFS, or in lieu of CNG Form 1016A, 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 or exemption card to the new employer.

§13.75 Franchise Tax Certification and Assumed Name Certificate

- (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 CNG Form 1001 or CNG Form 1001M all names under which CNG related activities requiring licensing or registration as a container manufacturer are to be conducted. Any company performing CNG activities under an assumed name ("DBA" or "doing business as") 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 Office of the Secretary of State.

§13.76 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 CNG Form 1035 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 CNG Form 1035:
 - (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 CNG activities were performed, including a description of the types of CNG activities that were performed; or
 - (D) any military CNG training or education the applicant received, including a description of the types of CNG 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 CNG Form 1035:
 - (A) a copy of the license issued by the named jurisdiction;
 - (B) a description of the types of CNG 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 CNG Form 1035:
 - (A) a copy of the license issued by the named jurisdiction;
 - (B) a description of the types of CNG 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 CNG Form 1035 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.

§13.80 Requests for CNG Classes

Requests for Commission staff to conduct a CNG training class for CNG 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 a CNG training class is \$250 if no overnight expenses are incurred by the AFS training section, 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.

SUBCHAPTER D - CNG COMPRESSION, STORAGE, AND DISPENSING SYSTEMS

§13.91 Applicability

This subchapter applies to the design, construction, installation, and operation of cylinders, pressure vessels, compression equipment, buildings and structures, and associated equipment used for storage and dispensing of compressed natural gas (CNG) as an engine fuel in fleet and automatic dispensing operations.

§13.93 System Protection Requirements

(a) In addition to NFPA 52 §7.3.2, and NFPA 55 §§4.11 and 7.1.9, equipment related to a compression, storage, or dispensing installation, shall be protected from tampering and damage in accordance with subsections (b) and (c) of this section. These protections shall be maintained in good condition at all times.

(b) Fencing at CNG stationary installations shall comply with the following.

(1) Fencing material shall be 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 the compression equipment, cylinder cascade(s), or container(s), and the entire dispensing system(s).

(7) Fencing which is located more than 25 feet from any point of a CNG dispensing system(s), container(s), or compression equipment is designated as perimeter fencing. If a CNG dispensing system(s), cylinder cascade(s), or compression equipment is located inside perimeter fencing and is subject to vehicular traffic, it shall be protected against damage according to the specifications set forth in 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 CNG stationary installations shall comply with the following:

(1) Vertical supports for guardrails shall be at least three inch Schedule 40 steel pipe, or other material with equal or greater strength. The vertical supports shall be capped on the top or otherwise protected to prevent the entrance of water or debris into the guardpost, anchored in concrete at least 18 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 capped on the ends or otherwise protected to prevent the entrance of water or debris into the guardpost, and 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 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.

(4) A minimum clearance of 24 inches shall be maintained between the railing and any part of the CNG compression equipment, cylinder cascade(s), container(s), or dispensing equipment.

(5) The operating end of the container(s) and any part of the CNG compression equipment, piping, or cylinder cascade(s) which is exposed to collision damage or vehicular traffic shall be protected from this type of damage.

 (6) A minimum clearance of 24 inches shall be maintained between the railing and any part of the CNG compression equipment, cylinder cascades, containers, or dispensing equipment.

(d) Dispenser protection. Each dispenser shall be secured to a concrete island a minimum of six inches above the normal grade and two inches above the grade of any other fuel dispenser(s). Each dispenser shall be protected against collision damage. Support columns or other such protection installed at the approach end(s) of the concrete island shall prevent collision with the dispenser. If such protection cannot be provided, then the requirements of subsection (c) of this section shall apply.

(e) The provisions of this section notwithstanding, AFS may require an installation to be protected in accordance with this section when evidence exists that because of exceptional circumstances, added safeguards are needed to adequately protect the health, safety, and welfare of the general public. If a person owning or operating such an installation disagrees with the determination of AFS made under this subsection, then that person may request a public hearing on the matter. However, until a determination is issued subsequent to a hearing on the matter, the subject automatic dispenser(s) shall be

either protected in the manner described by AFS or removed from CNG service and/or all of the product withdrawn from it.

(f) At least two monitoring sensors shall be installed at all stationary installations where methane can be trapped to detect hazardous levels of methane. Sensors shall activate prior to the methane level exceeding 25% of the lower flammability limit (LFL). If the level exceeds 25% 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.

(g) In addition to NFPA 52 §§7.4.3.11, 7.11.5.2, and 7.14.12 and NFPA 55 §§4.10 and 7.1.8.3, all CNG storage installations, and installations protected by guardrails only, must comply with the sign and/or lettering requirements of Table 1 of this section.

Figure: 16 TAC §13.93(g)

§13.93 SIGNS/LETTERING

Requirements	Automatic Dispenser/ Refueling Area⁵	Fueling Connection Receptacle CNG Fueled Vehicle	Engine Compartment of CNG Fueled Vehicle	Emergency Shutdown Devices	Compression Area⁵
1.Signs with Red Letters at Least 2 Inches High, on White Background - NO SMOKING ¹	■				■
2.Sign with Red Letters at Least 4 Inches High, on White Background: WARNING-FLAMMABLE GAS; Black letters: NO TRESPASSING					■
3. Letters at Least 2 Inches High: NATURAL GAS	■ ⁷				■
4.CNG FUELED VEHICLE		■ ²	■		
5.System Working Pressure _____		■ ²	■		
6.Name of Licensee and License Number			■		

Requirements	Automatic Dispenser/ Refueling Area ⁵	Fueling Connection Receptacle CNG Fueled Vehicle	Engine Compartment of CNG Fueled Vehicle	Emergency Shutdown Devices	Compression Area ⁵
7. Cylinder Retest Date(s) or Expiration Date(s) ³		■ ²	■		
8. Total Cylinder Water Volume in Gallons			■		
9. Sign with White Letters at Least 2 Inches High on Red Background: CNG EMERGENCY VALVE; PUSH				■ ⁴	
10. Letters at Least 4 Inches High: Name of Licensee Operating Installation	■ ⁶				■ ⁶

NOTES TO §13.93, TABLE 1

- 1. Location of sign shall be determined by on-site conditions, but shall be visible from each point of transfer.
- 2. On durable label, readily visible. Information in items 4, 5, 6, 7, 8 may be combined on one label.
- 3. When applicable.
- 4. Devices shall be distinctly marked for easy recognition with permanently affixed, legible sign.
- 5. Does not apply to residential/refueling facility.
- 6. One sign may be installed at either location.
- 7. On each operating side of dispenser.

§13.106 Maintenance

- (a) While in transit, fueling hose and flexible metal hose on a cargo vehicle to be used in a transfer operation, including their connections, shall be depressurized and protected from wear and injury.
- (b) Pressure relief devices shall be maintained in proper operating condition.
- (c) As a precaution to keep pressure relief devices in reliable operating condition, care shall be taken in the handling or storing of CNG cylinders to avoid damage. Care shall also be exercised to avoid plugging by paint or other dirt

accumulation of pressure relief device channels or other parts which could interfere with the functioning of the device.

§13.107 Dispenser Installation

(a) In addition to NFPA 52 §§7.14.4 and 7.14.5, dispensers shall comply with §13.37 of this title (relating to Appurtenances and Equipment). Existing dispensers may be modified, provided the modifications include only those components listed as approved by a laboratory as specified in §13.37 of this title, and are installed in a workmanlike manner in accordance with industry standards.

(b) The dispenser shall have the following features.

(1) A key, card, or code system shall be used for automatic dispensers.

(2) All appurtenances, metering equipment, and other related equipment installed on a dispenser shall meet all applicable requirements of the rules in this chapter.

(3) All dispensing equipment shall be fabricated of material suitable for CNG, and resistant to the action of CNG under service conditions.

(4) The dispensing system shall incorporate a cutoff valve with an opening and closing device which ensures the valve is in a closed position when the dispenser is deactivated.

(5) The fueling connector shall be compatible with the fueling connection of the vehicle as specified in §13.34 of this title (relating to Vehicle Fueling Connection). The fueling connector shall have the following safety features:

(A) remote vapor discharge; and

(B) a manual shut off valve.

(c) CNG dispensing systems utilizing automatic dispensers shall be limited to the filling of permanently mounted fuel containers on CNG powered vehicles.

(d) 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.

(e) Each retail CNG dispenser shall comply with the applicable weights and measures requirements of the Texas Department of Agriculture, relating to dispensing accuracy.

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

SUBCHAPTER E – ENGINE FUEL SYSTEMS

§13.131 Applicability

- (a) This subchapter applies to the design, installation, inspection, and testing of compressed natural gas (CNG) fuel supply systems for vehicular internal combustion engines.
- (b) Installation of each component of the system shall be made in conformance to the written instructions provided by the manufacturer.

§13.133 Installation of Fuel Supply Containers

- (a) In addition to NFPA 52 §§6.3.2 and 6.3.3, fuel supply containers on school buses, mass transit, and other public transportation vehicles shall not be located within the driver or passenger compartment. The motor fuel containers installed on a special transit vehicle may be installed in the passenger compartment, provided all connections to the containers are external to, or sealed and vented from, those compartments.
- (b) If necessary, a plumbing chamber door shall be provided in the sidewall of the school bus, mass transit, or special transit vehicle to allow 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.

§13.142 Maintenance and Repair

- (a) As a precaution to keep pressure relief devices in reliable operating condition, care shall be taken in the handling or storing of CNG cylinders to avoid damage. Care shall also be exercised to avoid plugging by paint or other dirt accumulation of pressure relief device channels or other parts which could interfere with the functioning of the device.
- (b) If any component is not in safe working order, AFS may require that the vehicle be immediately removed from CNG service and not be operated until the necessary repairs have been made.

§13.143 Venting of CNG to the Atmosphere

In addition to NFPA 52 §6.14.1.1, all venting of CNG shall be done outdoors.

SUBCHAPTER F - RESIDENTIAL FUELING FACILITIES

§13.181 Applicability

- (a) This subchapter applies to the design, construction, installation, and operation of a residential fueling facility as defined in §13.2 of this title (relating to Definitions).
- (b) The provisions of this subchapter shall apply to all residential refueling installations.

§13.183 System Component Qualifications

In addition to NFPA 52 §8.2.1, system components shall comply with the appropriate provisions in Subchapter B of this chapter (relating to General Rules for Compressed Natural Gas (CNG) Equipment Qualifications).

§13.187 Installation of Pressure Relief Devices

In addition to NFPA 52, §8.5, the discharge vent line shall be able to withstand the pressure from the relief vapor discharge when the relief device is in the full open position and shall permit sufficient pressure relief relieving capacity. A spring loaded or counterbalanced rain cap shall be provided on the discharge vent line. The rain cap shall permit the pressure relief device to operate at sufficient relieving capacity.

§13.190 Piping and Hose

- (a) The use of hose in an installation is limited to:
 - (1) a vehicle refueling hose; the maximum length fueling hose is 12 feet and shall be supported;
 - (2) an inlet connection to compression equipment not exceeding 36 inches. This connector, if used, shall be supplied as part of the residential fueling appliance;
 - (3) a section of metallic hose not exceeding 36 inches in length in a pipeline to provide flexibility where necessary. Each section shall be so installed that it will be protected against mechanical damage and be readily visible for inspection. The manufacturer's identification shall be retained in each section;
 - (4) hose used for pressure relief device channels may exceed 36 inches.
- (b) The least possible number of connections shall be used in order to reduce the possibility of leakage in the residential fueling appliance.

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

§13.201. Adoption by Reference of NFPA 52.

(a) Effective February 15, 2021, except as modified in 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 CNG activities only. The pamphlets adopted by reference in NFPA 52 are:

- (1) NFPA 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.

§13.202. Clarification of Certain Terms Used in NFPA 52.

(a) Authority having jurisdiction. As pertains to CNG 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.

§13.203. 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 §13.203

NFPA 52 Sections with Additional Requirements or Not Adopted		
Affected NFPA 52 Section	Specific Action	Commission Rule(s) to be Followed or Other Comments
1.4.1	additional requirement	See Commission rule §13.37, Appurtenances and equipment
1.4.1.2	additional requirement	See Commission rule §13.37, Appurtenances and equipment
1.4.3	additional requirements	See Commission rule §13.70, Examination and exempt registration requirements and renewals and §13.72, Designation and responsibilities of company representatives an operations supervisors
4.2	additional requirements	See Commission rule §13.70, Examination and exempt registration requirements and renewals and §13.72, Designation and responsibilities of company representatives an operations supervisors
4.3	additional requirement	See Commission rule §13.35, Application for an exception to a safety rule
5.2.1.1	additional requirement	See Commission rule §13.22, Odorization
5.3.1	additional requirement	See Commission rule §13.37, Appurtenances and equipment
5.4.5.1	additional requirement	See Commission rule §13.40, Manufacturer’s nameplate and markings on ASME containers
6.3.2	additional requirement	See Commission rule §13.133, Installation of fuel supply containers
6.3.3	additional requirement	See Commission rule §13.133, Installation of fuel supply containers
6.9.3	additional requirement	See Commission rule §13.34, Vehicle fueling connection

NFPA 52 Sections with Additional Requirements or Not Adopted		
Affected NFPA 52 Section	Specific Action	Commission Rule(s) to be Followed or Other Comments
6.13.2	additional requirement	See Commission rule §13.23, Installation and maintenance
6.14.1.1	additional requirement	See Commission rule §13.143, Venting of CNG to the atmosphere
7.3.1	additional requirement	See Commission rule §13.25, Filings required for stationary CNG installations
7.3.2	additional requirements	See Commission rule §13.93, System protection requirements
7.4.3.11	additional requirement	See Commission rule §13.93, System protection requirements
7.11.5.2	additional requirement	See Commission rule §13.93, System protection requirements
7.14.4	additional requirement	See Commission rule §13.107, Dispenser installation
7.14.5	additional requirement	See Commission rule §13.107, Dispenser installation
7.14.12	additional requirement	See Commission rule §13.93, System protection requirements
7.16.2	not adopted	See Commission rule §13.107, Dispenser installations
8.2.1	additional requirement	See Commission rule §13.183, System component qualifications
8.5	additional requirement	See Commission rule §13.187, Installation of pressure relief devices
8.8.3	not adopted	See Commission rule §13.190, Piping and hose
Chapter 9	not adopted	NFPA 52 Chapter 9 does not apply to CNG installations
Chapter 10	not adopted	NFPA 52 Chapter 10 does not apply to CNG installations
Chapter 12	not adopted	NFPA 52 Chapter 12 does not apply to CNG installations
Chapter 13	not adopted	NFPA 52 Chapter 13 does not apply to CNG installations
Chapter 14	not adopted	Commission rules in Chapter 13 do not cover marine installations

SUBCHAPTER H. ADOPTION BY REFERENCE OF NFPA 55 (COMPRESSED GASES AND CRYOGENIC FLUIDS CODE)

§13.301. Adoption by Reference of NFPA 55.

(a) Effective February 15, 2021, except as modified in this subchapter, the Commission adopts by specific reference the provisions established by the National Fire Protection Association in its 2013 edition of the Compressed Gases and Cryogenic Fluids Code, commonly referred to as NFPA 55 or Pamphlet 55. 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 55 which apply to CNG activities only. The pamphlets adopted by reference in NFPA 55 are:

- (1) NFPA 1, Fires Code, 2012 edition;
- (2) NFPA 2, Hydrogen Technologies Code, 2011 edition;
- (3) NFPA 10, Standard for Portable Fire Extinguishers, 2010 edition;
- (4) NFPA 13, Standard for the Installation of Sprinkler Systems, 2013 edition;
- (5) NFPA 16, Standard for the Installation of Foam Water Sprinkler and Foam Water Spray Systems, 2011 edition;
- (6) NFPA 30, Flammable and Combustible Liquids Code, 2012 edition;
- (7) NFPA 31, Standard for the Installation of Oil Burning Equipment, 2011 edition;
- (8) NFPA 45, Standard on Fire Protection for Laboratories Using Chemicals, 2011 edition;
- (9) NFPA 51, Standard for the Design and Installation of Oxygen Fuel Gas Systems for Welding, Cutting, and Allied Processes, 2013 edition;
- (10) NFPA 52, Vehicular Gaseous Fuel Systems Code, 2010 edition;
- (11) NFPA 54, National Fuel Gas Code, 2012 edition;
- (12) NFPA 58, Liquefied Petroleum Gas Code, 2011 edition;
- (13) NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), 2013 edition;
- (14) NFPA 68, Standard on Explosion Protection by Deflagration Venting, 2007 edition;
- (15) NFPA 69, Standard on Explosion Prevention Systems, 2008 edition;
- (16) NFPA 70, National Electrical Code, 2011 edition;
- (17) NFPA 72, National Fire Alarm and Signaling Code, 2013 edition;
- (18) NFPA 79, Electrical Standard for Industrial Machinery, 2012 edition;
- (19) NFPA 80, Standard for Fire Doors and Other Opening Protectives, 2013 edition;
- (20) NFPA 90A, Standard for the Installation of Air Conditioning and Ventilating Systems, 2012 edition;

- (21) NFPA 99, Health Care Facilities Code, 2012 edition;
- (22) NFPA 101, Life Safety Code, 2012 edition;
- (23) NFPA 110, Standard for Emergency and Standby Power Systems, 2013 edition;
- (24) NFPA 259, Standard Test Method for Potential Heat of Building Materials, 2008 edition;
- (25) NFPA 496, Standard for Purged and Pressurized Enclosures for Electrical Equipment, 2008 edition;
- (26) NFPA 505, Fire Safety Standard for Powered Industrial Trucks Including Type Designations, Areas of Use, Conversions, Maintenance, and Operations, 2011 edition;
- (27) NFPA 704, Standard System for the Identification of the Hazards of Materials for Emergency Response, 2012 edition;
- (28) NFPA 801, Standard for Fire Protection for Facilities Handling Radioactive Materials, 2008 edition; and
- (29) NFPA 853, Standard for the Installation of Stationary Fuel Cell Power Systems, 2010 edition.

§13.302. Clarification of Certain Terms Used in NFPA 55.

- (a) Authority having jurisdiction. As pertains to CNG activities in Texas, the phrase “authority having jurisdiction” defined in NFPA 55 §3.2.2 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 55 §3.2.
- (b) Engineering. The Commission does not adopt language in any NFPA 55 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 55 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.

§13.303. Sections in NFPA 55 Adopted with Additional Requirements or Not Adopted.

Table 1 of this section lists certain NFPA 55 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 §13.303

NFPA 55 Sections with Additional Requirements or Not Adopted

Affected NFPA 55 Section	Specific Action	Commission Rule(s) to be Followed or Other Comments
4.1	additional requirement	See Commission rule §13.25, Filings required for stationary CNG installations
4.7	additional requirement	See Commission rule §13.70, Examination and exempt registration requirements and renewals
4.10	additional requirement	See Commission rule §13.93, System protection requirements
4.11	additional requirement	See Commission rule §13.93, System protection requirements
7.1.6.1	additional requirement	See Commission rule §13.40, Manufacturer’s nameplates and markings on ASME containers
7.1.8.3	additional requirement	See Commission rule §13.93, System protection requirements
7.1.9	additional requirement	See Commission rule §13.93, System protection requirements
7.1.12	additional requirement	See Commission rule §13.61, License categories, container manufacturer registration, fees, and application for licenses, manufacturer registrations and renewals
7.1.14	additional requirement	See Commission rule §13.38, Removal from CNG service
7.1.15	additional requirement	See Commission rule §13.38, Removal from CNG service
Chapter 8	not adopted	NFPA 55 Chapter 8 does not apply to CNG installations
Chapter 9	not adopted	NFPA 55 Chapter 9 does not apply to CNG installations
Chapter 10	not adopted	NFPA 55 Chapter 10 does not apply to CNG installations
Chapter 11	not adopted	NFPA 55 Chapter 11 does not apply to CNG installations
Chapter 12	not adopted	NFPA 55 Chapter 12 does not apply to CNG installations
Chapter 13	not adopted	NFPA 55 Chapter 13 does not apply to CNG installations
Chapter 14	not adopted	NFPA 55 Chapter 14 does not apply to CNG installations
Chapter 15	not adopted	NFPA 55 Chapter 15 does not apply to CNG installations

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).

§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 persquare 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.

§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.

§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

§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).

§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.

§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)

Table 1. LNG Penalty Schedule Guidelines

LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/
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

LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/
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

LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/
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
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

LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/
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

LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/
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

(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 §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

(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)

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

(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)

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	\$

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/ Range	Penalty Tally
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	\$

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
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 and procedures	\$500-1,500	\$
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	\$

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
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	\$

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
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)			\$
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			\$

	LNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
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		\$

(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.

§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.

§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.

§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.

§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.

§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.

§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.

§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 Acord™ 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)

**TABLE 1
§14.2031. Insurance Requirements**

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.

(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 Acord™ 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.

§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.

§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.

§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.

§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.

§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 guardrailing 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.

§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.

§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.

§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.

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)

§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	*		*

(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.

§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.

§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.

§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.

§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.

§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.

§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.

§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.

§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.

§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.

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

§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.

§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.

§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.

§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.

§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.

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.

§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.

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.

§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.

§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.

§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.

§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.

§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.

§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)

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	*	

(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.

§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.

§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.

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.

§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

§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.

§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

§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.
- (c) If a transport unit is loaned or leased for a period of time not to exceed 30 days, the unit may have painted or permanently affixed thereon, in lieu of the name of the licensee operating the transport unit, the name of the owner of the transport unit in letters at least two inches in height.

§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.

§14.2716 Supports

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

§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.

§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.

§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.

§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.

§14.2731 Manifests

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

§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.

§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.

§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.

§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.

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.

§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.

§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

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

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.

§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.

§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

NFPA 59A Sections with Additional Requirements or Not Adopted		
Affected NFPA 59A Section	Specific Action	Commission Rule(s) to be Followed or Other Comment
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

NATURAL RESOURCES CODE

CHAPTER 116 - COMPRESSED NATURAL GAS

SUBCHAPTER A - GENERAL PROVISIONS

§116.001. DEFINITIONS.

In this chapter:

- (1) “Commission” means the Railroad Commission of Texas.
- (2) “Compressed natural gas” or “CNG” means natural gas primarily consisting of methane in a gaseous state that is compressed and used, stored, sold, transported, or distributed for use by or through a CNG system.
- (3) “Liquefied natural gas” or “LNG” means natural gas primarily consisting of methane in liquid or semisolid state.
- (4) “CNG cylinder” means a cylinder or other container designed for use or used as part of a CNG system.
- (5) “LNG container” means a container designed for use or used as part of an LNG system.
- (6) “CNG system” means a system of safety devices, cylinders, piping, fittings, valves, compressors, regulators, gauges, relief devices, vents, installation fixtures, and other CNG equipment intended for use or used in any building or public place by the general public or in conjunction with a motor vehicle or mobile fuel system fueled by compressed natural gas and any system or facilities designed to be used or used in the compression, sale, storage, transportation for delivery, or distribution of compressed natural gas in portable CNG cylinders, but does not include natural gas facilities, equipment, or pipelines located upstream of the inlet of a compressor devoted entirely to compressed natural gas.
- (7) “LNG system” means a system of safety devices, containers, piping, fittings, valves, compressors, regulators, gauges, relief devices, vents, installation fixtures, and other LNG equipment intended for use or used with a motor vehicle fueled by liquefied natural gas and any system or other facilities designed to be used or used in the sale, storage, transportation for delivery, or distribution of liquefied natural gas.
- (8) “Motor vehicle” means any self-propelled vehicle licensed for highway use or used on a public highway.
- (9) “Compressed natural gas cargo tank” means a container built in accordance with A.S.M.E. or D.O.T. specifications and used to transport compressed natural gas for delivery.
- (10) “Liquefied natural gas cargo tank” means a container built in accordance with A.S.M.E. or D.O.T. specifications and used to transport liquefied natural gas for delivery.
- (11) “Mobile fuel system” means a CNG or 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.
- (12) “Motor fuel system” means a CNG or LNG system to supply natural gas as a fuel for an engine used to propel the vehicle.
- (13) “Registrant” means any individual exempt from the licensing requirements as established by rule of the commission who is required to register with the commission, any person qualified by examination by the commission, or any person who applies for registration with the commission. Registrant includes an employee of a licensee who performs CNG-related or LNG-related activities.

§116.002 Exceptions

This chapter does not apply to:

- (1) the production, transportation, storage, sale, or distribution of natural gas that is not included in the definition of compressed natural gas or liquefied natural gas;
- (2) the production, transportation, storage, sale, or distribution of natural gas that is subject to commission jurisdiction under Subtitle A or B, Title 3, Utilities Code;
- (3) pipelines, fixtures, and other equipment used in the natural gas industry that are not used or designed to be used as part of a CNG or LNG system; or
- (4) pipelines, fixtures, equipment, or facilities to the extent that they are subject to the safety regulations promulgated and enforced by the commission pursuant to Chapter 117, Natural Resources Code, or Subchapter E, Chapter 121, Utilities Code.

SUBCHAPTER B - ADMINISTRATIVE PROVISIONS

§116.011 Administration

The commission shall administer and enforce this chapter and rules and standards adopted under this chapter relating to compressed natural gas and liquefied natural gas.

§116.012 Rules and Standards

To protect the health, safety, and welfare of the general public, the commission shall adopt necessary rules and standards relating to the work of compression and liquefaction, storage, sale or dispensing, transfer or transportation, use or consumption, and disposal of compressed natural gas or liquefied natural gas.

§116.013 National Codes

The commission may adopt by reference in its rules all or part of the published codes of nationally recognized societies as standards to be met in the design, construction, fabrication, assembly, installation, use, and maintenance of CNG or LNG components and equipment.

§116.014 Fees

(a) Fees collected by the commission under Section 116.034 of this code for training, examinations, and seminars must be deposited in a special fund in the state treasury designated as the CNG and LNG examination fund. The commission shall use money in this fund to pay the cost of training, examinations, and seminars sponsored or administered by the commission.

(b) Except as provided by Subsection (a) of this section, money collected by the commission as fees under this chapter shall be deposited in the general revenue fund.

§116.015 Entry on Property; Inspection and Investigation

(a) An employee, agent, or inspector of the commission may enter the premises of a licensee under this chapter or any building or other premises open to the public or inspect any CNG or LNG system or motor vehicle equipped with CNG or LNG equipment at any reasonable time for the purpose of determining and verifying compliance with this chapter and rules of the commission adopted under this chapter.

(b) Any authorized representative of the LPG division may enter any building or premises where an accident has occurred in which CNG or LNG was a probable cause for purposes of investigating the cause, origin, and circumstances of such accident. The LPG division may request that any state or local authority having jurisdiction take appropriate action as may be necessary for preservation of property and premises.

§116.016 Limitations on Rulemaking Authority

(a) The commission may not adopt rules restricting advertising or competitive bidding by a licensee or registrant except to prohibit false, misleading, or deceptive practices.

(b) In its rules to prohibit false, misleading, or deceptive practices, the commission may not include a rule that:

- (1) restricts the use of any medium for advertising;
- (2) restricts the use of a licensee or registrant's personal appearance or voice in an advertisement;
- (3) relates to the size or duration of an advertisement by the licensee or registrant; or
- (4) restricts the licensee or registrant's advertisement under a trade name.

SUBCHAPTER C - LICENSING AND REGISTRATION

§116.031 License Requirement

(a) Unless otherwise provided in this chapter or by commission rule, a person shall be required to obtain a license from the commission to engage in any of the following activities:

- (1) work that includes the manufacture, assembly, repair, testing, sale, installation, or subframing of CNG cylinders or LNG containers for use in this state;
- (2) systems work that includes the sale, installation, modification, or servicing of CNG or LNG systems for use in this state, including the installation, modification, or servicing by any person, except a political subdivision, of a CNG or LNG motor fuel system or mobile fuel system on a vehicle used in the transportation of the general public; or
- (3) product work that includes the sale, storage, transportation for delivery, or dispensing of CNG or LNG in this state.

- (b) A license obtained by a partnership, corporation, or other legal entity extends to the entity's employees who are performing CNG or LNG work, provided that each employee is qualified and registered as required by rules adopted by the commission.
- (c) No license is required by an original vehicle manufacturer or a subcontractor of such manufacturer for the installation and sale of a new CNG or LNG system when such system is installed on a new original vehicle fueled by CNG or LNG.
- (d) The commission by rule may provide for the annual registration of all individuals performing CNG-related or LNG-related activities who are exempt from the licensing requirements of the commission. Employees of a political subdivision are not required to be licensed or registered under this chapter.
- (e) The commission shall adopt rules providing for the registration of persons engaged in the manufacture of CNG cylinders or LNG containers for use in this state.

§116.032 License and Registration Fees

- (a) The commission shall adopt rules establishing registration fees and license categories and license fees to be charged for application for and issuance and renewal of a license or registration.
- (b) The commission by rule may establish reasonable fees for each category of license.

§116.033 Application and Renewal Procedures

- (a) The commission shall adopt rules establishing procedures for submitting and processing applications for issuance and renewal of licenses and for registration.
- (b) A person who is otherwise eligible to renew a license or registration may renew an unexpired license or registration by paying the required renewal fee to the commission before the expiration date of the license or registration. A person whose license or registration has expired may not engage in activities that require a license or registration until the license or registration has been renewed.
- (c) A person whose license or registration has been expired for 90 days or less may renew the license or registration by paying to the commission a renewal fee that is equal to 1-1/2 times the normally required renewal fee.
- (d) A person whose license or registration has been expired for more than 90 days but less than one year may renew the license or registration by paying to the commission a renewal fee that is equal to two times the normally required renewal fee.
- (e) A person whose license or registration has been expired for one year or more may not renew the license or registration. The person may obtain a new license or registration by complying with the requirements and procedures, including the examination requirements, for obtaining an original license or registration.
- (f) A person who was licensed or registered in this state, moved to another state, and is currently licensed or registered and has been in practice in the other state for the two years preceding the date of application may obtain a new license or registration without reexamination. The person must pay to the commission a fee that is equal to two times the normally required renewal fee for the license or registration.
- (g) Not later than the 30th day before the date a person's license or registration is scheduled to expire, the commission shall send written notice of the impending expiration to the person at the person's last known address according to the records of the commission.

§116.034 Examination and Seminar Requirements

- (a) The commission may adopt rules providing training and seminar attendance requirements and shall adopt rules providing examination requirements for persons who are required or who wish to be licensed or registered under this chapter.
- (b) The commission may adopt a reasonable fee to cover the cost of any training, examination, or seminar required by and sponsored or administered by the commission.
- (c) Before a license or registration may be issued, the person to be licensed or registered must satisfactorily complete any training, examinations, and seminars required by the commission.
- (d) Not later than the 30th day after the date a person takes a licensing or registration examination under this chapter, the commission shall notify the person of the results of the examination.
- (e) If the examination is graded or reviewed by a testing or proctoring service:
 - (1) the commission shall notify the person of the results of the examination not later than the 14th day after the date the commission receives the results from the testing or proctoring service; and
 - (2) if notice of the examination results will be delayed for longer than 90 days after the examination date, the commission shall notify the person of the reason for the delay before the 90th day.
- (f) The commission may require a testing or proctoring service to notify a person of the results of the person's examination.
- (g) If requested in writing by a person who fails a licensing or registration examination administered under this chapter, the commission shall furnish the person with an analysis of the person's performance on the examination.
- (h) The commission may recognize, prepare, or administer continuing education programs for its licensees and registrants. A licensee or registrant must participate in the programs to the extent required by the commission to keep the person's license.

§116.0345 License or Registration by Endorsement

The commission may waive any prerequisite to obtaining a license or registration for an applicant after reviewing the applicant's credentials and determining that the applicant holds a license or registration issued by another jurisdiction that has licensing requirements substantially equivalent to those of this state.

§116.0346 Provisional License or Registration

- (a) The commission may issue a provisional license or registration to an applicant currently licensed or registered in another jurisdiction who seeks a license or registration in this state and who:
 - (1) has been licensed or registered in good standing for at least two years in another jurisdiction, including a foreign country, that has licensing or registration requirements substantially equivalent to the requirements of this chapter;
 - (2) has passed a national or other examination recognized by the commission relating to the activities regulated under this chapter; and

- (3) is sponsored by a person licensed or registered by the commission under this chapter with whom the provisional license or registration holder will practice during the time the person holds a provisional license or registration.
- (b) The commission may waive the requirement of Subsection (a)(3) for an applicant if the commission determines that compliance with that subsection would be a hardship to the applicant.
- (c) A provisional license or registration is valid until the date the commission approves or denies the provisional license or registration holder's application for a license or registration. The commission shall issue a license or registration under this chapter to the provisional license or registration holder if:
- (1) the provisional license or registration holder is eligible to be licensed or registered under Section 116.0345; or
 - (2) the provisional license or registration holder:
 - (A) passes the part of the examination under Section 116.034 that relates to the applicant's knowledge and understanding of the laws and rules relating to the activities regulated under this chapter in this state;
 - (B) meets the academic and experience requirements for a license or registration under this chapter; and
 - (C) satisfies any other licensing or registration requirements under this chapter.
- (d) The commission must approve or deny a provisional license or registration holder's application for a license or registration not later than the 180th day after the date the provisional license or registration is issued. The commission may extend the 180-day period if the results of an examination have not been received by the commission before the end of that period.
- (e) The commission may establish a fee for provisional licenses or registrations in an amount reasonable and necessary to cover the cost of issuing the license or registration.

§116.035 Denial of License

The commission may deny issuance or renewal of a license or registration to any person who fails to qualify under the requirements of this chapter and rules adopted by the commission under this chapter. The commission shall give written notice to an applicant for the issuance or renewal of a license or for registration of the denial of the license or registration and the reasons for denial.

§116.036 Insurance Requirement

- (a) All licensees must acquire and maintain appropriate workers' compensation or coverage for its employees under policies of work-related accident, disability, and health insurance, including coverage for death benefits, from an insurance carrier authorized to provide coverage in this state and other insurance coverage required by the commission in the amounts required by the commission.
- (b) Notwithstanding Subsection (a) of this section, a state agency or institution, county, municipality, school district, or other governmental subdivision may submit evidence of workers' compensation coverage by self-insurance if permitted by the Texas Workers' Compensation Act (Article 8308-1.01 et seq., Vernon's Texas Civil Statutes).
- (c) The commission shall adopt rules establishing specific requirements for insurance coverage under this chapter and evidence of such coverage. The types and amounts of insurance coverage required by the commission shall be based on the type and category of licensed activity. The commission by rule may allow a licensee to self-insure under Subsection (a) or (e) and by rule shall establish standards for that self-insurance.

(d) The commission may not issue or renew a license, and a licensee may not perform any licensed activity unless the insurance coverage required by the commission's rules is in effect and evidence of that coverage is filed with the commission as required by commission rule.

(e) Every motor vehicle operated in this state as a conveyance for a CNG or an LNG cargo tank must meet motor vehicle insurance requirements established by the commission.

§116.037 Disciplinary Action

(a) The commission shall notify a licensee or registrant in writing if it finds probable violation or noncompliance with this chapter or the rules adopted under this chapter.

(b) The notice shall specify the particular acts, omissions, or conduct comprising the alleged violation and shall designate a date by which the violation must be corrected or discontinued.

(c) The licensee or registrant shall report timely compliance or shall request extension of time for compliance if considered necessary.

(d) If a licensee or registrant objects to the complaint or requirements under this section, or if the commission determines that the licensee or registrant is not proceeding adequately to compliance, then, on written request of the licensee or registrant or order of the commission, a public hearing must be conducted.

(e) If the commission or division determines that the probable violation or noncompliance constitutes an immediate danger to the public health, safety, and welfare, it shall require the immediate cessation of the probable violation or noncompliance and proceed with a hearing.

(f) The commission shall revoke, suspend, or refuse to renew a license or registration or shall reprimand the licensee or registrant if the commission finds that the licensee or registrant has violated or failed to comply with or is violating or failing to comply with this chapter or a rule adopted under this chapter.

(g) The commission may place on probation a person whose license or registration is suspended. If a license or registration suspension is probated, the commission may require the person:

(1) to report regularly to the commission on matters that are the basis of the probation;

(2) to limit practice to the areas prescribed by the commission; or

(3) to continue or review professional education until the person attains a degree of skill satisfactory to the commission in those areas that are the basis of the probation.

(h) Any party to a proceeding before the commission is entitled to judicial review under the substantial evidence rule.

§116.038 Staggered Renewal Of Licenses

The commission by rule may adopt a system under which license and registration fees required by Section 116.032 of this code expire on various dates during the year. For the year in which the license and registration expiration dates are changed, license and registration fees payable on a specified date shall be prorated on a monthly basis so that each licensee shall pay only that portion of the license and registration fees that is allowable to the number of months during which the license and registration is valid. On renewal of the license and registration on the new expiration date, the total license and registration fees are payable.

SUBCHAPTER D - MOTOR VEHICLE REGULATION

§116.071 Registration Rules

The commission shall adopt rules relating to the registration of motor vehicles that are equipped with a CNG or LNG cargo tank and motor vehicles used principally to transport compressed natural gas or liquefied natural gas in portable cylinders or containers.

§116.072 Registration

- (a) Each motor vehicle that is equipped with a CNG or LNG cargo tank and each motor vehicle used principally to transport CNG or LNG in portable cylinders or containers must be registered with the commission as provided by commission rules.
- (b) The commission may not impose a fee for registration under this section on a motor vehicle owned by a county.
- (c) The commission by rule shall establish a reasonable, nonrefundable annual registration and transfer fee for each CNG or LNG cargo trailer, semitrailer, bobtail, and cylinder-delivery unit registered or transferred as follows:
 - (1) the annual registration fee established by the commission shall not be less than \$100 nor more than \$500; and
 - (2) the annual transfer fee established by the commission shall not be less than \$25 nor more than \$100.

§116.073 Safety Rules

The commission shall adopt safety rules relating to the transportation of compressed natural gas and liquefied natural gas in this state.

§116.074 Cooperation of the Department of Public Safety

The Department of Public Safety shall cooperate with the commission in administering and enforcing this chapter and rules of the commission relating to regulation of motor vehicles required to be registered under this subchapter.

§116.075 Application of Other Laws

This chapter and the rules adopted under this chapter do not modify, amend, or repeal any laws of this state relating to the regulation of motor carriers.

SUBCHAPTER E - MISCELLANEOUS PROVISIONS

§116.101 Malodorants

Compressed natural gas must be odorized as provided by Subchapter F, Chapter 121, Utilities Code.

§116.102 Testing Laboratories

The commission shall adopt rules relating to testing of CNG and LNG equipment and to the qualifications required of the persons who are to perform those tests.

§116.103 Warning Tags

(a) An employee, agent, or inspector of the commission may declare unsafe or dangerous for service any motor vehicle required to be registered under this chapter or any CNG or LNG equipment or system that is defective or that does not otherwise conform to the safety requirements of this chapter and the rules adopted under this chapter and shall attach a warning tag to the motor vehicle, equipment, or system in a conspicuous location.

(b) A person may not sell, furnish, deliver, or supply compressed natural gas and liquefied natural gas for use or consumption by or through a motor vehicle or system in a public place or operate a motor vehicle having CNG or LNG equipment to which a warning tag is attached.

(c) A warning tag may be removed on approval of the commission or by a person designated by the commission to remove the tag. A warning tag may not be removed by any person who is not authorized to remove the tag by the commission.

SUBCHAPTER F - ENFORCEMENT

§116.141 Injunctive Relief

(a) On request of the commission, the attorney general shall bring suit in the name of the state to enjoin a person from violating this chapter or a rule adopted under this chapter.

(b) A suit for injunction instituted under this section is in addition to other remedies available to the commission under this chapter.

(c) A suit seeking injunctive relief under this section shall be brought in a district court in Travis County.

(d) The commission is not required to provide a bond in a suit instituted under this section.

§116.142 Criminal Penalty

- (a) A person who knowingly violates this chapter or rules adopted by the commission under this chapter commits an offense.
- (b) An offense under this section is punishable by a fine of not less than \$100 nor more than \$5,000.
- (c) Each day a violation continues constitutes a separate offense.

§116.143 Administrative Penalty

- (a) If a person violates this chapter, a rule of the commission adopted under this chapter, or a term, condition, or provision of a license or registration issued by the commission under this chapter and the violation results in pollution of the air or water of this state or poses a threat to the public safety, the person may be assessed a civil penalty by the commission.
- (b) The penalty may not exceed \$10,000 a day for each violation. Each day a violation continues may be considered a separate violation for purposes of penalty assessments.
- (c) In determining the amount of the penalty, the commission shall consider the person's history of previous violations of this chapter, the seriousness of the violation, any hazard to the health or safety of the public, and the demonstrated good faith of the person charged.

§116.144 Penalty Assessment Procedure

- (a) A civil penalty under Section 116.145 of this code may be assessed only after the person charged with the violation has been given an opportunity for a public hearing.
- (b) If a public hearing has been held, the commission shall make findings of fact, and it shall issue a written decision as to the occurrence of the violation and the amount of the penalty that is warranted, incorporating, when appropriate, an order requiring that the penalty be paid.
- (c) If appropriate, the commission shall consolidate the hearings with other proceedings under this chapter.
- (d) If the person charged with the violation fails to avail himself of the opportunity for a public hearing, a civil penalty may be assessed by the commission after it has determined that a violation did occur and the amount of the penalty that is warranted.
- (e) The commission shall then issue an order requiring that the penalty be paid.

§116.145 Payment of Penalty; Refund

- (a) On the issuance of notice or an order charging that a violation has occurred, the commission shall inform the person charged within 30 days of the proposed amount of the penalty.
- (b) Within the 30-day period immediately following the day on which the notice or order is issued, the person charged with the penalty shall pay the proposed penalty in full or, if the person wishes to contest either the amount of the penalty

or the fact of the violation, forward the proposed amount to the commission for placement in an escrow account.

(c) If through administrative or judicial review of the proposed penalty it is determined that no violation occurred or that the amount of the penalty should be reduced, the commission shall, within the 30-day period immediately following that determination, remit the appropriate amount to the person, with interest at the prevailing United States Department of the Treasury rate.

(d) Failure to forward the money to the commission within the time provided by Subsection (b) of this section results in a waiver of all legal rights to contest the violation or the amount of the penalty.

§116.146 Recovery of Penalty

Civil penalties owed under Sections 116.143 through 116.145 of this code may be recovered in a civil action brought by the attorney general at the request of the commission.