

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



ALEXANDER C. SCHOCH, GENERAL COUNSEL

RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

MEMORANDUM

TO: Chairman Christi Craddick
Commissioner Ryan Sitton
Commissioner Wayne Christian

FROM: Haley Cochran, Attorney *HC*
Office of General Counsel

THROUGH: Alexander C. Schoch, General Counsel

DATE: October 13, 2020

SUBJECT: Proposed Amendments to 16 TAC Chapters 13, 14, and 15, relating to Alternative Fuels Safety Regulations

October 20, 2020		
Approved	Denied	Abstain
DS <i>CC</i>		
DS <i>WC</i>		
DS <i>RS</i>		

DS
CF

Attached are proposals to amend the Commission's Alternative Fuels Regulations in 16 Texas Administrative Code Chapters 13, 14, and 15. The amendments to Chapters 13 and 14, relating to Regulations for Compressed Natural Gas and Regulations for Liquefied Natural Gas respectively, are proposed to implement changes from the 86th Legislative Session. The amendments also adopt by reference National Fire Protection Association standards. Finally, the amendments update, clarify, and ensure consistency among the Commission's alternative fuels regulations.

The attached materials on Chapter 15, relating to Alternative Fuels Programs, propose repeal of the chapter due to repeal of the governing statute during the 85th Legislative Session.

Staff requests the Commission's approval to publish the proposed amendments and repeal in the *Texas Register* for public comment. If approved at conference on October 20th, the proposals should appear in the November 6th issue of the *Texas Register*. The proposals and an online comment form would also be made available on the Commission's website by October 21st, giving interested persons more than two additional weeks to review and submit comments to the Commission.

cc: Wei Wang, Executive Director
Kari French, Director, Oversight and Safety Division
April Richardson, Director, Alternative Fuels Safety



1 The Railroad Commission of Texas (Commission) proposes amendments, new rules, and repeals
2 in 16 TAC Chapter 13 relating to Regulations for Compressed Natural Gas (CNG). In Subchapter A,
3 Scope and Definitions, the Commission proposes amendments to §13.1, Applicability, Severability, and
4 Retroactivity [~~Scope~~]; the repeal of §13.2, Retroactivity; amendments to §13.3, Definitions; §13.4, CNG
5 Forms; and §13.15, Penalty Guidelines and Enforcement [~~for CNG Safety Violations~~].

6 In Subchapter B, General Rules for Compressed Natural Gas (CNG) Equipment Qualifications,
7 the Commission proposes amendments to §13.21, Applicability [~~and Severability~~]; and §13.22,
8 Odorization; new §13.23, Installation and Maintenance; amendments to §13.24, [~~Filings Required for~~]
9 School Bus, Public Transportation, Mass Transit, and Special Transit Vehicle Installations and
10 Inspections; and §13.25, Filings Required for Stationary CNG Installations; the repeal of §13.26, Design
11 and Construction of Cylinders, Pressure Vessels, and Vapor Recovery Receivers; new §13.26, Notice of,
12 Objections to, and Hearings on Proposed Stationary CNG Installations; the repeal of §§13.27 - 13.33,
13 Pressure Relief Devices; Pressure Gauges; Pressure Regulators; Piping; Valves; Hose and Hose
14 Connections; and Compression Equipment; amendments to §13.34, Vehicle Fueling Connection; §13.35,
15 Application for an Exception to a Safety Rule; and §13.36, Report of CNG Incident/Accident; new
16 §13.37, Appurtenances and Equipment; amendments to §13.38, Removal from CNG Service; §13.39,
17 Filling Unapproved Containers Prohibited; and §13.40, Manufacturer's Nameplates and Markings on
18 ASME Containers.

19 In Subchapter C, Classification, Registration, and Examination, the Commission proposes
20 amendments to §§13.61, License Categories, Container Manufacturer Registration, Fees, and Application
21 for Licenses, Manufacturer Registrations, and Renewals [~~Licenses, Related Fees, and Licensing~~
22 ~~Requirements~~]; §13.62, Insurance Requirements; §13.63, Self-Insurance Requirements [~~Qualification as~~
23 ~~Self-Insured~~]; §13.64, [~~Qualification by~~] Irrevocable Letter of Credit; the repeal of §13.65, Statements in
24 Lieu of Insurance Certificates; amendments to §13.67, Changes in Ownership, [~~and/or~~] Form of
25 Dealership, or Name of Dealership; the repeal of §13.68, Dealership Name Change; amendments to
26 §13.69, Registration and Transfer of CNG Cargo Tanks or Delivery Units [~~Transports and CNG Form~~
27 ~~1004 Decal or Letter of Authority~~]; §13.70, Examination and Exempt Registration Requirements and
28 Renewals; §13.71, Hearings for Denial, Suspension, or Revocation of Licenses, Manufacturer
29 Registrations, or Certificates [~~or Certifications~~]; §13.72, Designation and Responsibilities of Company
30 Representatives and [~~of~~] Operations Supervisors [~~(Branch Manager)~~]; §13.73, Employee Transfers;
31 §13.75, Franchise Tax Certification and Assumed Name Certificate; and §13.80, Requests for CNG
32 Classes.

1 In Subchapter D, CNG Compression, Storage, and Dispensing Systems, the Commission
2 proposes the repeal of §13.92, System Component Qualification; amendments to §13.93, System
3 Protection Requirements [~~General~~]; the repeal of §§13.94 - 13.105, Location of Installations; Installation
4 of Cylinders and Cylinder Appurtenances; Installation of Pressure Relief Devices; Installation of Pressure
5 Regulators; Installation of Pressure Gauges; Installation of Piping and Hoses; Testing; Installation of
6 Emergency Shutdown Equipment; Installation of Electrical Equipment; Stray or Impressed Currents and
7 Bonding; Operation; and Fire Protection; and amendments to §13.106, Maintenance; and §13.107,
8 Dispenser Installation [~~Accuracy~~].

9 In Subchapter E, Engine Fuel Systems, the Commission proposes the repeal of §13.132, System
10 Component Qualification; amendments to §13.133, Installation of Fuel Supply Containers [~~Cylinders~~];
11 the repeal of §§13.134 - 13.141, Installation of Venting Systems; Installation of Piping; Installation of
12 Valves; Installation of Pressure Gauges; Installation of Pressure Regulators; Installation of Fueling
13 Connection; Labeling; and System Testing; amendments to §13.142, Maintenance and Repair; and
14 §13.143, Venting of CNG to the Atmosphere.

15 In Subchapter F, Residential Fueling Facilities, the Commission proposes the repeal of §13.182,
16 Scope; amendments to §13.183, System Component Qualifications; the repeal of §§13.184 - 13.186,
17 General; Installation; and Outdoor Installations; amendments to §13.187, Installation of Pressure Relief
18 Devices [~~Valves~~]; the repeal of §§13.188 - 13.189, Installation of Pressure Gauges; and Pressure
19 Regulation; amendments to §13.190, Piping and Hose; and the repeal of §§13.191 - 13.194, Testing;
20 Installation of Emergency Shutdown Equipment; Operation; and Maintenance and Inspection.

21 The Commission proposes new Subchapter G, Adoption by Reference of NFPA 52 (Vehicular
22 Gaseous Fuel Systems Code) to include new §13.201, Adoption by Reference of NFPA 52; §13.202,
23 Clarification of Certain Terms Used in NFPA 52; and §13.203, Sections in NFPA 52 Adopted with
24 Additional Requirements or Not Adopted.

25 The Commission proposes new Subchapter H, Adoption by Reference of NFPA 55 (Compressed
26 Gases and Cryogenic Fluids Code) to include new §13.301, Adoption by Reference of NFPA 55;
27 §13.302, Clarification of Certain Terms Used in NFPA 55; and §13.303, Sections in NFPA 55 Adopted
28 with Additional Requirements or Not Adopted. The Commission proposes to adopt the two NFPA
29 standards to establish requirements for Texas CNG licensees and consumers consistent with most other
30 states in the United States. Because NFPA 52 and 55 have been adopted in whole or in part by many
31 states, the Texas CNG industry would benefit from their adoption because Texas companies would be
32 held to the same standards.

1 The Commission proposes the amendments, new rules, and repeals to update and clarify the
2 Commission's CNG rules. The main purpose of the proposal is to adopt by reference NFPA 52 and 55 in
3 the proposed new rules in Subchapters G and H. In addition to the proposed new rules, the Commission
4 proposes amendments to certain rules to incorporate or update references to sections in the NFPA
5 standards, as well as other nonsubstantive clarifications. Rules proposed with these types of amendments
6 include §§13.3, 13.4, 13.23, 13.25, 13.36, 13.37, 13.61, and 13.70.

7 Several rules are proposed for repeal; with the proposed adoption by reference of NFPA 52 and
8 55, these rules are no longer necessary. Rules proposed for repeal include §§13.2, 13.26, 13.27 - 13.33,
9 13.68, 13.92, 13.94 - 13.105, 13.132, 13.134 - 13.141, 13.182, 13.184 - 13.186, 13.188, 13.189, and
10 13.191 - 13.194.

11 Other rules with proposed amendments to add references to NFPA sections and make other
12 clarifying changes include §§13.22, 13.34, 13.35, 13.38, 13.40, 13.93, 13.107, 13.133, 13.143, 13.183,
13 13.187, and 13.190.

14 The second purpose for the proposed amendments, new rules, and repeals is to implement
15 changes from the 86th Legislative Session. House Bill 2127 removed the requirement that manufacturers
16 of CNG containers obtain a license from the Commission and instead requires registration with the
17 Commission. Proposed changes to reflect this statutory change are found in §§13.3, 13.15, 13.61, 13.62,
18 13.63, 13.67, 13.70, 13.71, and 13.75. Operators will not be required to comply with changes directly
19 related to manufacturer registrations until approximately February 15, 2021. Upon adoption, the
20 Commission will specify the effective date relating to requirements for manufacturer registration.

21 These rules also include proposed nonsubstantive amendments to clarify existing language,
22 correct outdated language such as incorrect division and department names, update references to other
23 Commission rules, and ensure language throughout Chapter 13, and throughout the Commission's
24 alternative fuels regulations, is consistent. Clarifying changes include amendments to improve readability
25 such as removing repetitive language, adding internal cross references, and including language from a
26 referenced section (e.g., a fee amount) to give the reader better access to applicable requirements.

27 Proposed amendments in §13.1 clarify that the requirements of Chapter 13 apply to the operation
28 of CNG compression and dispensing systems in addition to their design and installation. Proposed
29 subsections (b) and (c) are moved from §13.21. Proposed subsection (d) is moved from §13.2, which is
30 proposed for repeal.

31 Proposed amendments to §13.3 remove definitions of terms that no longer appear in Chapter 13
32 or are only used within one section and, therefore, do not need to be defined. The proposed amendments

1 add definitions of "certificate holder," "certified," "licensed," "licensee," "operations supervisor,"
2 "registered manufacturer," "rules examination," "trainee," and "transfer system" as those terms are now
3 used throughout the chapter. The proposed amendments also clarify several existing definitions.

4 Proposed amendments in §13.4 remove the list of official forms from the rule language to ensure
5 consistency with other chapters. All Commission forms are now located on the Commission's website.
6 The proposed amendments also specify the form amendment and adoption process, which is consistent
7 with forms referenced in other Commission chapters.

8 Proposed new §13.23, relating to Installation and Maintenance, is added to ensure consistency
9 among the Commission's alternative fuels regulations. It requires all CNG containers, valves, dispensers,
10 accessories, piping, transfer equipment, and gas utilization equipment to be installed and maintained in
11 safe working order according to the manufacturer's instructions and the rules in Chapter 13.

12 Proposed amendments in §13.24, in addition to general updates and clarifications, clarify
13 existing filing requirements for registering a CNG transport.

14 In addition to incorporating NFPA requirements, proposed amendments to §13.25 make minor
15 updates for clarity and change requirements to ensure consistency among the Commission's alternative
16 fuels regulations. The amendments also reorganize the rule; several subsections are moved within §13.25
17 and subsection (l) was removed and relocated to §13.37.

18 Proposed new §13.26 specifies the process for notice of, objections to, and hearings on proposed
19 stationary installations. The Commission's other alternative fuels regulations contain this process and it is
20 added here for consistency.

21 Proposed amendments to §13.36 clarify existing requirements and align the rules with the
22 accident and incident reporting procedures in Chapter 9 of this title.

23 Proposed amendments in §13.61 include changes to implement the registration requirement from
24 House Bill 2127. "Manufacturer registration" is included alongside references to applications for license
25 and exemptions, and the license categories are updated to include licenses currently offered by the
26 Commission, including Categories 1A and 1B. Proposed new subsection (k) requires a new form, CNG
27 Form 1001M, and specifies that a container manufacturer registration authorizes the manufacture,
28 assembly, repair, testing and sale of CNG containers. The original registration fee is \$1,000; the renewal
29 fee is \$600. Other proposed wording generally clarifies license requirements and reflects the proposed
30 adoption of NFPA 52 and 55.

31 Proposed amendments to §13.67 specify the requirements for any changes in ownership, form of
32 dealership, or name of dealership. The new rule incorporates existing procedures and reflects the process

1 from the corresponding rule in Chapter 9 of this title.

2 Proposed amendments to §13.69 clarify requirements for registration and transfer of CNG cargo
3 tanks or delivery units and conform the rule to similar provisions in Chapter 9 of this title.

4 Proposed amendments in §13.70 include requirements for individuals who perform work, directly
5 supervise CNG activities, or are employed in any capacity requiring contact with CNG, in addition to
6 certain NFPA-related amendments previously discussed. The proposed amendments also ensure
7 "certificate" and "certificate holder" are used throughout instead of using "certificate," "certificate
8 holder," "certified," and "certification" inconsistently. Proposed wording clarifies requirements for
9 certificate renewal and steps to renew a lapsed certificate. Proposed new wording specifies that an
10 individual who passes the applicable examination with a score of at least 75% will become a certificate
11 holder, clarifies where and when examinations are available, and states what an examinee must bring to
12 the exam site. Further, the proposed wording incorporates the examinations and their descriptions, which
13 were previously included in a table, and clarifies the process for obtaining a management-level certificate.

14 Proposed amendments in §13.72 clarify filing requirements for company representatives,
15 operations supervisors, and outlets, in addition to NFPA-related amendments previously discussed. The
16 proposed amendments specify the requirements for designating company representatives and operations
17 supervisors, and change wording from "termination" to "conclusion of employment" to better
18 communicate AFS's intent for when a licensee must notify AFS of a company representative's or
19 operations supervisor's departure.

20 Amendments proposed in §13.73 update the process for licensees who hire certificate holders,
21 including allowing notification to the Commission to include only the last four digits of the employee's
22 Social Security Number.

23 Proposed amendments in §13.93 include updates due to NFPA changes and also require uprights,
24 braces, and cornerposts to be anchored in concrete a minimum of 12 inches below the ground. This
25 change ensures consistency among the Commission's alternative fuels regulations.

26 Proposed amendments in §13.107 include updates due to NFPA changes and also add language
27 previously found in other sections of the chapter. New language proposed in subsection (b) was moved
28 from subsection (d) of §13.93 (relating to System Protection Requirements) and new language proposed
29 in subsection (d) of §13.107 was moved from §13.104(i) (relating to Operation).

30 Proposed amendments in §13.142 remove specific requirements related to damaged supply lines
31 and pressure relief devices and add a provision requiring removal of a vehicle from CNG service if any
32 component is not in safe working order.

1 Other proposed amendments are nonsubstantive clarifications or updates such as correcting
2 Commission department or division names, reorganization of the rule text, or other similar revisions.
3 These types of amendments are proposed in §§13.21, 13.39, 13.64, 13.71, 13.73, 13.80, and 13.106.

4 April Richardson, Director, Alternative Fuels Safety Department, has determined that there will
5 be a one-time cost to the Commission of approximately \$23,275 in programming costs based on 490
6 hours of programming to implement changes required by HB 2127. This cost will be covered using the
7 Commission's existing budget. Further, AFS will have a one-time cost to purchase copies of NFPA 52
8 and 55. The copies of NFPA standards will be provided to all inspectors, to managers at the AFS Austin
9 office, and to examinees and instructors across the state. The total estimated cost to replace these books is
10 \$9,912. This cost will also be covered using AFS's existing budget. There are no anticipated fiscal
11 implications for local governments as a result of enforcing the amendments and new rules.

12 Ms. Richardson has determined that there will be minimal costs for those required to comply with
13 the proposed amendments. Any cost stems from the need to purchase the new copies of NFPA 52 and/or
14 NFPA 55 if a person required to comply does not already own a copy. The softbound copies of NFPA 52
15 and NFPA 55 total \$125.50. Manufacturers who are no longer required to obtain a license will save \$20
16 per company representative per year, as the certificate renewal requirements will not apply to these
17 employees.

18 Ms. Richardson has also determined that the public benefit anticipated as a result of enforcing or
19 administering the amendments will be compliance with recent changes to the Texas Natural Resources
20 Code and increased public safety due to new NFPA standards.

21 In accordance with Texas Government Code, §2006.002, the Commission has determined there
22 will be no adverse economic effect on rural communities, small businesses or micro-businesses resulting
23 from the proposed amendments and new rule; therefore, the Commission has not prepared the economic
24 impact statement or the regulatory flexibility analysis required under §2006.002.

25 The Commission has determined that the proposed rulemaking will not affect a local economy;
26 therefore, pursuant to Texas Government Code, §2001.022, the Commission is not required to prepare a
27 local employment impact statement for the proposed rules.

28 The Commission has determined that the proposed amendments and new rule do not meet the
29 statutory definition of a major environmental rule as set forth in Texas Government Code, §2001.0225;
30 therefore, a regulatory analysis conducted pursuant to that section is not required.

31 During the first five years that the rules would be in effect, the proposed amendments would not:
32 create or eliminate a government program; create or eliminate any employee positions; require an increase

1 or decrease in future legislative appropriations; increase fees paid to the agency; create a new regulation;
2 increase or decrease the number of individuals subject to the rule's applicability; expand, limit, or repeal
3 an existing regulation; or effect the state's economy. The amendments are proposed to align Commission
4 rules with governing state statutes and national standards. The amendments would decrease fees paid to
5 the agency because due to HB 2127, manufacturers no longer require a license. Thus, a registered
6 manufacturer is not required to pay \$20 per company representative for annual certificate renewal.

7 Comments on the proposal may be submitted to Rules Coordinator, Office of General Counsel,
8 Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967; online at
9 www.rrc.texas.gov/general-counsel/rules/comment-form-for-proposed-rulemakings; or by electronic mail
10 to rulescoordinator@rrc.texas.gov. The Commission will accept comments until 12:00 noon on Monday,
11 December 14, 2020. The Commission finds that this comment period is reasonable because the proposal
12 and an online comment form will be available on the Commission's website more than two weeks prior to
13 Texas Register publication of the proposal, giving interested persons additional time to review, analyze,
14 draft, and submit comments. The Commission cannot guarantee that comments submitted after the
15 deadline will be considered. For further information, call Ms. Richardson at (512) 463-6935. The status of
16 Commission rulemakings in progress is available at [www.rrc.texas.gov/general-counsel/rules/proposed-](http://www.rrc.texas.gov/general-counsel/rules/proposed-rules)
17 [rules](http://www.rrc.texas.gov/general-counsel/rules/proposed-rules).

18 The Commission proposes the amendments, new rules, and repeals under Texas Natural
19 Resources Code, §116.012, which authorizes the Commission to adopt rules and standards relating to
20 compressed natural gas activities to protect the health, welfare, and safety of the general public; Texas
21 Natural Resources Code §116.013, which allows the Commission to adopt by reference in its rules all or
22 part of the published codes of nationally recognized societies as standards to be met in the design,
23 construction, fabrication, assembly, installation, use, and maintenance of CNG or LNG components and
24 equipment; and Texas Natural Resources Code §116.031(e), which requires a person engaging in the
25 manufacture or fabrication of containers to register with the commission in accordance with rules adopted
26 by the commission.

27 Statutory authority: Texas Natural Resources Code, §§116.012, 116.013, and 116.031.

28 Cross reference to statute: Texas Natural Resources Code Chapter 116.

29
30 SUBCHAPTER A. SCOPE AND DEFINITIONS.

31 §13.1. Applicability, Severability, and Retroactivity [~~Scope~~].

32 (a) This chapter applies to the design, ~~and~~ installation, and operation of compressed natural gas

1 (CNG) compression and dispensing systems; the design and installation of CNG engine fuel systems on
2 vehicles of all types and their associated fueling facilities; and the construction and operation of
3 equipment for the [; CNG systems used for compression,] storage, handling, and [sale,] transportation[;
4 delivery, or distribution] of CNG [for any purpose; and all CNG mobile fuel systems].

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

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

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

12 (e) [(b)] This chapter shall not apply to:

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

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

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

21 (f) [(e)] This [Subchapters A, B, C, D, E, and F of this] chapter shall not apply to vehicles and
22 fuel supply containers that:

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

24 (2) comply with Title 49, Code of Federal Regulations, the Federal Motor Vehicle Safety
25 Standards [~~;~~ and]

26 [~~(3) comply with the National Fire Protection Association (NFPA) Code 52, [Compressed~~
27 ~~Natural Gas (CNG)] Vehicular Systems Code].~~

28 (g) [(d)] Vehicles and fuel supply containers excluded from the requirements [of subchapters A
29 through F] of this chapter pursuant to subsection (f) [(e)] of this section shall comply with the
30 requirements of §13.24 of this title (relating to School Bus, Public Transportation, Mass Transit, and
31 Special Transit Vehicle Installations and Inspections) [~~;~~ relating to Filings Required for School Bus, Mass
32 Transit, and Special Transit Installations].

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§13.2. Retroactivity. **REPEAL**

§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 [~~AED~~]~~--The Commission's Alternative Fuels Safety department within the Commission's Oversight and Safety~~ [Energy] Division.

~~[(2) AFRED--The organizational unit of the AED that administers the Commission's alternative fuels research and education program, including CNG certification, exempt registration, and training.]~~

(2) [~~(3)~~] ANSI--American National Standards Institute.

(3) [~~(4)~~] ASME--American Society of Mechanical Engineers.

(4) [~~(5)~~] ASME Code--ASME Boiler and Pressure Vessel Code.

(5) [~~(6)~~] ASTM--ASTM International (formerly American Society for Testing and Materials).

(6) [~~(7)~~] Automatic dispenser--A CNG dispenser which is operated by a member of the general public and which requires transaction authorization.

(7) [~~(8)~~] Building--A structure with walls and a roof resulting in the structure being totally enclosed.

(8) [~~(9)~~] 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) [~~(10)~~] CNG--See "Compressed natural gas" in this section.

(12) [~~(11)~~] CNG cargo tank--A container which complies with ASME or DOT specifications used to transport CNG for delivery.

(13) [~~(12)~~] CNG cylinder--A cylinder or other container designed for use or used as part

1 of a CNG system.

2 (14) [(13)] CNG system--A system of safety devices, cylinders, piping, fittings, valves,
3 compressors, regulators, dryers, gauges, relief devices, vents, installation fixtures, and other CNG
4 equipment intended for use or used in any building or public place by the general public [~~commercial~~
5 ~~installation~~], or used in conjunction with a motor vehicle or mobile fuel system fueled by CNG, and [~~or~~]
6 any system or facilities designed to be used or used in the compression, sale, storage, transportation for
7 delivery, or distribution of CNG in portable CNG cylinders, but does not include [~~not including~~] natural
8 gas facilities, equipment, or pipelines located upstream of the outlet of the natural gas meter [~~inlet of a~~
9 ~~compressor devoted entirely to CNG~~].

10 (15) [(14)] Commercial installation--Any CNG installation located on premises other
11 than a single family dwelling used as a residence, or a private agricultural installation, including but not
12 limited to a retail business establishment, school, convalescent home, hospital, retail CNG cylinder
13 filling/exchange operation, service station, forklift refueling facility, or private motor/mobile fuel cylinder
14 filling operation.

15 (16) [(15)] Commission--The Railroad Commission of Texas.

16 (17) [(16)] Company representative--The individual designated to the Commission by a
17 license applicant or a licensee as the principal individual in authority and actively supervising the conduct
18 of the licensee's CNG activities [~~An owner or employee of a licensee designated by that licensee to take~~
19 ~~any required examinations and to actively supervise CNG operations of the licensee~~].

20 (18) [(17)] Compressed natural gas--Natural gas primarily [~~which is a mixture of~~
21 ~~hydrocarbon gases and vapors~~] consisting [~~principally~~] of methane (CH₄) in gaseous state [~~form~~] that is
22 compressed and used, stored, sold, transported, or distributed for use by or through a CNG system.

23 (19) [(18)] Container--A pressure vessel cylinder or cylinders permanently manifolded
24 together used to store CNG.

25 (20) [(19)] Cylinder service valve--A hand-wheel operated valve connected directly to a
26 CNG cylinder.

27 (21) [(20)] Director--The director of the AFS [~~AED~~] or the director's delegate.

28 (22) [(21)] Dispensing [~~area or dispensing~~] installation--A CNG installation that
29 dispenses CNG from any source by any means into fuel supply cylinders installed on vehicles or into
30 portable cylinders.

31 (23) [(22)] DOT--The United States Department of Transportation.

32 (24) [(23)] Flexible metal hose--Metal hose made from continuous tubing that is

1 corrugated for flexibility and, if used for pressurized applications, has an external wire braid.

2 (25) [(24)] Fuel supply cylinder--A cylinder mounted upon a vehicle for storage of CNG
3 as fuel supply to an internal combustion engine.

4 (26) [(25)] Interim approval order--The authority issued by the Railroad Commission of
5 Texas following a public hearing allowing construction of a CNG installation.

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

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

10 [(26) Location--A site operated by a CNG licensee at which the licensee carries on an
11 essential element of its CNG activities, but where the activities of the site alone do not qualify the site as
12 an outlet.]

13 [(27) LP Gas Operations--The organizational unit of the AED that administers the CNG
14 safety program, including licensing, truck registration, installation approvals, complaint and accident
15 investigations, inspections of stationary installations and vehicles, and code enforcement.]

16 [(28) Manifold--The assembly of piping and fittings used to connect cylinders.]

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

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

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

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

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

28 (34) Motor fuel system--A CNG system [~~excluding the container which supplies CNG~~] to
29 supply natural gas as a fuel for an engine used to propel the vehicle.

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

32 (36) Operations supervisor--The individual who is certified by the Commission to

1 actively supervise a licensee's CNG activities and is authorized by the licensee to implement operational
2 changes.

3 (37) [(36)] Outlet--A site operated by a CNG licensee from which any regulated CNG
4 activity is performed [at which the business conducted materially duplicates the operations for which the
5 ~~licensee is initially granted a license~~].

6 (38) [(37)] Person--An individual, [sole proprietor,] partnership, firm, joint venture,
7 association, corporation, or any other business entity, a state agency or institution, county, municipality,
8 school district, or other governmental subdivision, or licensee.

9 (39) [(38)] Point of transfer--The point where the fueling connection is made.

10 [(39) Pressure filled--A method of transferring CNG into cylinders by using pressure
11 differential.]

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

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

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

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

22 [(43) Representative--The individual designated by an applicant or licensee as the
23 ~~principal individual in authority who is responsible for actively supervising the licensee's CNG activities.~~]

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

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

29 (46) [(45)] School--A public or private institution which has been accredited through the
30 Texas Education Agency or the Texas Private School Accreditation Commission.

31 (47) [(46)] School bus--A vehicle that is sold or used for purposes that include carrying
32 students to and from school or related events.

1 ~~[(47) Settled pressure--The pressure in a container at 70 degrees Fahrenheit, which~~
2 ~~cannot exceed the marked service or design pressure of the cylinder.]~~

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

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

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

10 (51) ~~[(49)]~~ Transport--Any vehicle or combination of vehicles and CNG cylinders
11 designed or adapted for use or used principally as a means of moving or delivering CNG from one place
12 to another, including but not limited to any truck, trailer, semitrailer, cargo tank, or other vehicle used in
13 the distribution of CNG.

14 (52) ~~[(50)]~~ Ultimate consumer--The person controlling CNG immediately prior to its
15 ignition.

16
17 §13.4. CNG Forms.

18 Forms required to be filed with AFS shall be those prescribed by the Commission. A complete set
19 of all required forms shall be posted on the Commission's web site. Notice of any new or amended forms
20 shall be issued by the Commission. A person may file the prescribed form on paper or use any electronic
21 filing process. Any form filed with the Commission shall be completed in its entirety. The Commission
22 may at its discretion accept an earlier version of a prescribed form provided that it contains all required
23 information. ~~[Under the provisions of the Texas Natural Resources Code, Chapter 116, the Railroad~~
24 ~~Commission of Texas has designated the following forms for use:]~~

25 ~~[Figure: 16 TAC §13.4]~~

26
27 §13.15. Penalty Guidelines and Enforcement ~~[for CNG Safety Violations].~~

28 (a) Policy. Improved safety and environmental protection are the desired outcomes of any
29 enforcement action. Encouraging licensees, ~~[and]~~ certificate holders, and registered manufacturers to take
30 appropriate voluntary corrective and future protective actions once a violation has occurred is an effective
31 component of the enforcement process. Deterrence of violations through penalty assessments is also a
32 necessary and effective component of the enforcement process. A rule-based enforcement penalty

1 guideline to evaluate and rank CNG-related violations is consistent with the central goal of the
2 Commission's enforcement efforts to promote compliance. Penalty guidelines set forth in this section will
3 provide a framework for more uniform and equitable assessment of penalties throughout the state, while
4 also enhancing the integrity of the Commission's enforcement program.

5 (b) Guidelines [~~Only guidelines~~]. This section complies with the requirements of Texas Natural
6 Resources Code, §81.0531. The penalty amounts contained in the tables in this section are provided
7 solely as guidelines to be considered by the Commission in determining the amount of administrative
8 penalties for violations [~~of provisions~~] of Texas Natural Resources Code, [~~Title 3,~~] Chapter 116[~~, relating~~
9 ~~to compressed natural gas~~]; of rules, orders, licenses, permits, or certificates relating to CNG safety
10 adopted under those provisions; and of regulations, codes, or standards that the Commission has adopted
11 by reference.

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

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

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

29 (e) Typical penalties. Regardless of the method by which the typical penalty amount is
30 calculated, the total penalty amount will be within the statutory limit [~~maximum~~]. Typical penalties for
31 violations [~~of provisions~~] of Texas Natural Resources Code, [~~Title 3,~~] Chapter 116[~~, relating to~~
32 ~~compressed natural gas~~]; of rules, orders, licenses, registrations, permits, or certificates relating to CNG

1 safety adopted under those provisions; and of regulations, codes, or standards that the Commission has
2 adopted by reference, are set forth in Table 1.

3 **Figure: 16 TAC §13.15(e)**

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

8 Figure: 16 TAC §13.15(f) (No change.)

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

15 Figure 1: 16 TAC §13.15(g) (No change.)

16 Figure 2: 16 TAC §13.15(g) (No change.)

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

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

28 (j) Other sanctions. Depending upon the nature of and the consequences resulting from a violation
29 of the rules in this chapter, the Commission may impose a non-monetary penalty, such as requiring
30 attendance at a safety training course, or may issue a warning.

31 (k) Penalty calculation worksheet. The penalty calculation worksheet shown in Table 5 lists the
32 typical penalty amounts for certain violations; the circumstances justifying enhancements of a penalty and

1 the amount of the enhancement; and the circumstances justifying a reduction in a penalty and the amount
2 of the reduction.

3 **Figure: 16 TAC §13.15(k)**

4
5 SUBCHAPTER B. GENERAL RULES FOR COMPRESSED NATURAL GAS (CNG) EQUIPMENT
6 QUALIFICATIONS.

7 §13.21. Applicability [~~and Severability~~].

8 [(a)] The provisions of this subchapter apply to pressurized components of a CNG [~~compressed~~
9 ~~natural gas (CNG)~~] system, and are applicable to both engine fuel systems and compression, storage, and
10 dispensing systems.

11 [(b) ~~If any item, clause, or provision of these rules is for any reason declared invalid, the~~
12 ~~remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired,~~
13 ~~or invalidated.~~]

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

16
17 §13.22. Odorization.

18 [(a) ~~Compressed natural gas shall have a distinctive odor potent enough for its presence to be~~
19 ~~detected down to a concentration in air of not over one fifth of the lower limit of flammability.~~]

20 (a) [(b)] In addition to NFPA 52 §5.2.1.1, compressed [Compressed] natural gas shall be odorized
21 according to the provisions of Texas Utilities Code, §§121.251 and 121.252[~~, in effect at the time the gas~~
22 ~~is odorized~~].

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

25
26 §13.23. Installation and Maintenance.

27 In addition to NFPA 52 §6.13.2, all CNG containers, valves, dispensers, accessories, piping,
28 transfer equipment, and gas utilization equipment shall be installed and maintained in safe working order
29 according to the manufacturer's instructions and the rules in this chapter. If any one of the CNG storage
30 containers, valves, dispensers, accessories, piping, transfer equipment, gas utilization equipment, and
31 appliances is not in safe working order, AFS may require that the installation be immediately removed
32 from CNG service and not be operated until the necessary repairs have been made.

1
2 §13.24. ~~[Filings Required for]~~ School Bus, Public Transportation, Mass Transit, and Special Transit
3 Vehicle Installations and Inspections.

4 (a) After the manufacture of or the conversion to a CNG system on any vehicle to be used in
5 Texas as a school bus, mass transit, public transportation, or special transit vehicle, the manufacturer,
6 licensee, or ultimate consumer making the installation or conversion shall notify AFS [~~LP-Gas~~
7 ~~Operations~~] in writing on CNG Form 1503 that the applicable CNG-powered vehicles are ready for a
8 complete inspection to determine compliance with the rules in this chapter.

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

11 (1) If AFS' [~~LP-Gas Operations~~]' initial complete inspection finds the vehicle in
12 compliance with the rules in this chapter and the statutes, the vehicle may be placed into CNG service.
13 For fleet installations of identical design, an initial inspection shall be conducted prior to the operation of
14 the first vehicle, and subsequent vehicles of the same design may be placed into service without prior
15 inspections. [~~Subsequent inspections shall be conducted within a reasonable time frame to ensure the~~
16 ~~vehicles are operating in compliance with the rules in this chapter.~~]

17 (2) If violations exist at the time of the initial complete inspection, the vehicle shall not
18 be placed into CNG service and the manufacturer, licensee, or ultimate consumer making the installation
19 or conversion shall correct the violations. The manufacturer, licensee, or ultimate consumer shall file with
20 AFS [~~LP-Gas Operations~~] documentation demonstrating compliance with the rules in this chapter, or AFS
21 [~~LP-Gas Operations~~] shall conduct another complete inspection before the vehicle may be placed into
22 CNG service.

23 (3) For public transportation vehicles only, if AFS does not conduct the initial inspection
24 within 30 business days of receipt of CNG Form 1503, the vehicle may be operated in CNG service if it
25 complies with the rules in this chapter.

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

29 (d) If the requested AFS [~~LP-Gas Operations~~] inspection identifies violations requiring
30 modifications by the manufacturer, licensee, or ultimate consumer, AFS [~~LP-Gas Operations~~] shall
31 consider the assessment of an inspection fee to cover the costs associated with any additional inspection,
32 including mileage and per diem rates set by the legislature.

1
2 §13.25. Filings Required for Stationary CNG Installations.

3 (a) General requirements. In addition to NFPA 52 §7.3.1, and NFPA 55 §4.1, ~~no~~ [No] CNG
4 container shall be placed into CNG service or an installation operated or used in CNG service until the
5 requirements of this section, as applicable, are met and the facility is in compliance with the rules in this
6 chapter and all applicable statutes, in addition to any applicable requirements of the municipality or the
7 county where an installation is or will be located.

8 (b) Installations with an aggregate [Aggregate] storage capacity [in excess] of 84,500 standard
9 cubic feet or more [240 standard cubic feet water volume]. The storage capacity of each container is
10 based on the container's operating pressure.

11 (1) For installations with an aggregate storage capacity [~~in excess~~] of 84,500 standard
12 cubic feet or more [240 standard cubic feet water volume], the licensee shall submit the following
13 information to AFS [LP Gas Operations] at least 30 days prior to construction:

14 (A) [~~1~~] CNG Form 1500;

15 (B) [~~2~~] CNG Form 1500A with all applicable documents;

16 (C) [~~3~~] a plat drawing from the appropriate appraisal district identifying:

17 (i) the facility's property boundaries;

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

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

21 (D) [~~4~~] a site plan of sufficient scale that identifies:

22 (i) [~~A~~] the location, types, and sizes of all CNG containers and
23 compression and dispensing equipment already on site or proposed to be on site;

24 (ii) [~~B~~] the distances from the containers, compression equipment,
25 dispensing equipment, and material handling equipment to [~~the~~] property lines, buildings on the same
26 property, any electric transmission lines, and railroads [and railroad, pipeline, or roadway rights of way;

27 and]. If the area where the container and/or compression equipment will be installed is a leased area or
28 utility easement, the site plan shall indicate the boundaries of the leased area or utility easement,
29 regardless of the size of the property in which the lease or easement lies;

30 (iii) [~~C~~] any known potential hazards;

31 (iv) location of CNG dispensers and their distance from any proposed
32 container (the nearest container if more than one), property lines, buildings on the same property,

1 roadways, and railroad track centerlines;

2 (v) location of the nearest public sidewalk, highway, street, or road and
3 its distance to containers and equipment;

4 (vi) location of all sources of ignition;

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

7 (viii) the location of other types of fuel dispensers, the type of fuel
8 dispensed, and the distance to CNG containers and dispensing equipment.

9 (E) [~~(\$)~~] a nonrefundable fee of \$50 for the initial application, or a nonrefundable
10 fee of \$30 for a resubmission; and [~~-A nonrefundable fee of \$30 shall be required for any resubmission.~~]

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

15 (2) Printed copies of site plans with a legend must be printed to the correct size for the
16 legend or distance provided.

17 (3) Prior to the installation of any individual CNG container, AFS shall determine
18 whether the proposed installation constitutes a danger to the public health, safety, and welfare. The
19 Commission does not consider public health, safety, and welfare to include such factors as the value of
20 property adjacent to the installation, the esthetics of the proposed installation, or similar considerations.
21 The applicant shall provide additional information if requested by AFS. AFS may impose restrictions or
22 conditions on the proposed CNG installation based on one or more of the following factors:

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

25 (B) nature of use of property located within 500 feet of the CNG installation;

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

27 (D) potential sources of ignition that might affect a CNG leak;

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

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

32 (4) [~~(e)~~] AFS [~~LP Gas Operations~~] shall notify the applicant in writing outlining its

1 findings.

2 (A) When AFS notifies an applicant of an incomplete CNG Form 1500 or CNG
3 Form 1500A, the applicant has 120 calendar days from the date of the notification letter to resubmit the
4 corrected application or the application will expire. After 120 days, the applicant shall file a new
5 application to reactivate AFS review of the proposed installation.

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

9 (5) If the application is administratively denied:

10 (A) AFS shall specify the deficiencies in the written notice required in paragraph
11 (3) of this subsection.

12 (B) The ~~[-the]~~ applicant shall ~~[may]~~ modify the submission and resubmit it for
13 approval or ~~[may]~~ request a hearing on the matter in accordance with ~~[the general rules of practice and~~
14 ~~procedure of the Railroad Commission of Texas in]~~ Chapter 1 of this title (relating to Practice and
15 Procedure). ~~If the Commission finds after a public hearing that the proposed installation complies with the~~
16 ~~rules in this chapter and the statutes of the State of Texas, and does not constitute a danger to the public~~
17 ~~health, safety, and welfare, the Commission shall issue an interim approval order. The construction of the~~
18 ~~installation and the setting of the container shall not proceed until the applicant has received written~~
19 ~~notification of the interim approval order. Any interim approval order shall include a provision that such~~
20 ~~approval may be suspended or revoked if:~~

21 (i) the applicant has introduced CNG into the system prior to final
22 approval;

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

26 (iii) the installation constitutes a danger to the public health, safety, and
27 welfare.

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

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

32 (B) Prior to the date of expiration, the applicant may request in writing an

1 extension of time of up to 90 days to complete the installation.

2 (C) If the applicant fails to request an extension of time within the time period
3 prescribed in this paragraph, the applicant shall submit a new application before the installation can be
4 completed.

5 (7) The applicant shall submit to AFS written notice of completed construction and the
6 Commission shall complete the field inspection as specified in subsection (e) of this section. After the
7 Commission has completed the inspection, the operator, pending the inspection findings, may commence
8 CNG activities at the facility.

9 (8) A licensee shall not be required to submit CNG Form 1500, CNG Form 1500A, or a
10 site plan prior to the installation of dispensers, equipment, piping, or when maintenance and
11 improvements are being made at an existing CNG installation.

12 (9) If a licensee is replacing a container with a container of the same or less overall
13 diameter and length or height, and is installing the replacement container in the identical location of the
14 existing container, the licensee shall file CNG Form 1500.

15 (10) AFS may request CNG Form 1008, a Manufacturer's Data Report, or any other
16 documentation or information pertinent to the installation in order to determine compliance with the rules
17 in this chapter.

18 (11) For an installation that is a licensee outlet, the licensee shall submit CNG Form
19 1001A within 30 days of installation, in accordance with §13.61(j) of this title (relating to License
20 Categories, Container Manufacturer Registration, Fees, and Application for Licenses, Manufacturer
21 Registrations, and Renewals).

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

28 ~~[(1) the applicant has introduced CNG into the system prior to final approval; or]~~

29 ~~[(2) a physical inspection of the installation indicates that it is not installed in]~~
30 ~~compliance with the submitted plat drawing for the installation, the rules in this chapter, or the statutes of~~
31 ~~the State of Texas; or]~~

32 ~~[(3) the installation constitutes a danger to the public health, safety, and welfare.]~~

1 ~~[(e) If a CNG stationary installation, equipment, or appurtenances not specifically covered by the~~
2 ~~rules in this chapter has been or will be installed, LP Gas Operations shall apply and require any~~
3 ~~reasonable safety provisions to ensure the CNG installation is safe for CNG service. If the affected entity~~
4 ~~disagrees with LP Gas Operations' determination, the entity may request a hearing. The installation shall~~
5 ~~not be placed in CNG operation until LP Gas Operations has determined the installation is safe for CNG~~
6 ~~service.]~~

7 ~~(c) [(f)] Commercial installations with an aggregate [Aggregate] storage capacity of less than 240~~
8 ~~standard cubic feet water volume. The storage capacity of each container is based on the container's~~
9 ~~operating pressure.~~

10 (1) Within 10 calendar days following the completion of a commercial container
11 installation, the licensee shall submit CNG Form 1501 to AFS [LP Gas Operations] stating:

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

13 (B) all necessary Commission [CNG] licenses, [and] certificates, and permits
14 have been issued; and

15 (C) the date the installation has been placed into [in] CNG service.

16 (2) The licensee shall pay [Pay] a nonrefundable fee of \$10 for each [ASME] container,
17 [or DOT cylinder] cascade, and compressor listed on the form. One fee is required for each cascade
18 regardless of the number of cylinders in the cascade. [A nonrefundable fee of \$20 shall be required for
19 any resubmission.]

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

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

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

25 ~~[(g) Notice of complete or incomplete form. LP Gas Operations shall review all applications~~
26 ~~within 21 business days of receipt of all required information and shall notify the applicant in writing of~~
27 ~~any deficiencies.]~~

28 ~~[(h) Expiration of application; extension.]~~

29 ~~[(1) When LP Gas Operations notifies an applicant of an incomplete CNG Form 1500,~~
30 ~~the applicant has 120 calendar days from the date of the notification letter to resubmit the corrected~~
31 ~~application or the application will expire. After 120 days, a new application shall be filed should the~~
32 ~~applicant wish to reactivate LP Gas Operations review of the proposed installation.]~~

1 ~~[(2) If the applicant requests an extension of the 120-day time period in writing,~~
2 ~~postmarked or physically delivered to LP-Gas Operations before the expiration date, the application may~~
3 ~~be renewed for up to 90 days as determined by LP-Gas Operations.]~~

4 ~~[(3) If the subject installation is not completed within one year from the date of LP-Gas~~
5 ~~Operations' completed review, the applicant shall resubmit the application for LP-Gas Operations'~~
6 ~~review.]~~

7 (d) [(4)] Physical inspection of stationary installations.

8 (1) Aggregate storage capacity [~~in excess~~] of 240 standard cubic feet water volume or
9 more. The applicant shall notify AFS in writing [~~LP-Gas Operations~~] when the installation is ready for
10 inspection.

11 (A) If any non-compliance items are cited at the time of AFS' initial inspection,
12 the installation shall not be placed into CNG service until the non-compliance items are corrected, as
13 determined at the time of inspection, depending on the nature of the non-compliance items cited.

14 (B) If AFS [~~LP-Gas Operations~~] does not physically inspect the facility within
15 30 calendar days of receipt of notice that the facility is ready for inspection, the facility [~~applicant~~] may
16 operate [~~the facility~~] conditionally until the initial [~~complete~~] inspection is completed [~~made~~]. [~~If any~~
17 ~~safety rule violations exist at the time of the initial inspection, the applicant may be required to cease~~
18 ~~CNG operation until the applicant corrects the violations.~~]

19 (2) Aggregate storage capacity of less than 240 standard cubic feet water volume. After
20 receipt of CNG Form 1501, AFS [~~LP-Gas Operations~~] shall conduct an inspection as soon as possible to
21 verify the installation described complies with the rules in this chapter. The facility may be operated [~~The~~
22 ~~applicant may operate the facility~~] prior to inspection if the facility fully complies with the rules in this
23 chapter. If [~~any CNG statute or safety rule violations exist at the time of~~] the initial inspection at a
24 commercial installation results in the citation of non-compliance items, AFS may require that [~~LP-Gas~~
25 ~~Operations may immediately remove~~] the subject container, including any piping, appliances,
26 appurtenances, or equipment connected to it be immediately removed from CNG service until the
27 applicant corrects the non-compliance items [~~violations~~].

28 (3) [(4)] Material variances. If AFS [~~LP-Gas Operations~~] determines the completed
29 installation varies materially from the application originally accepted, correction of the variance and
30 notification to AFS [~~the applicant shall correct the variance and notify LP-Gas Operations of the~~
31 ~~correction of the variance~~] or resubmittal of [~~resubmit~~] the application is required. AFS' [~~LP-Gas~~
32 ~~Operations'~~] review of such resubmitted application shall comply with subsection (b)(3) of [~~the procedure~~

1 ~~described in~~] this section.

2 (4) [~~(4)~~] In the event an applicant has requested an inspection and AFS' [~~LP-Gas~~
3 ~~Operations~~] inspection identifies non-compliance items [~~violations~~] requiring modifications by the
4 applicant, AFS [~~LP-Gas Operations~~] may assess an inspection fee to cover the costs associated with any
5 additional inspection, including mileage and per diem rates set by the legislature.

6 [~~(1) Appurtenances and equipment.~~]

7 [(1) All appurtenances and equipment placed into CNG service shall be certified, marked,
8 or listed by a nationally recognized laboratory such as Underwriters Laboratory (UL), Factory Mutual
9 (FM), CSA International, or such other laboratories approved by LP Gas Operations unless:]

10 [(A) it is specifically prohibited for use by another section of this chapter; or]

11 [(B) there is no test specification or procedure developed by the testing
12 laboratory for the appurtenance or equipment.]

13 [(2) Appurtenances and equipment that cannot be listed but are not prohibited for use by
14 the rules in this chapter shall be acceptable for CNG service provided the appurtenances and equipment
15 are installed in compliance with the applicable rules in this chapter.]

16 [(3) The licensee or operator of the appurtenances or equipment shall maintain
17 documentation sufficient to substantiate any claims made regarding the safety of any valves, fittings, and
18 equipment and shall, upon request, furnish copies to LP Gas Operations.]

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

22
23 §13.26. Design and Construction of Cylinders, Pressure Vessels, and Vapor Recovery Receivers.

24 **REPEAL**

25
26 §13.26. Notice of, Objections to, and Hearings on Proposed Stationary CNG Installations.

27 (a) Notice of proposed stationary CNG installations

28 (1) For a proposed installation with an aggregate storage capacity of 84,500 standard
29 cubic feet or more, an applicant shall send a copy of the filings required under §13.25 of this title (relating
30 to Filings Required for Stationary CNG Installations) by certified mail, return receipt requested or
31 otherwise delivered, to all owners of real property situated within 500 feet of any proposed container
32 location at the same time the originals are filed with AFS.

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

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

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

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

10 (B) the resulting aggregate storage capacity of the installation will be more than
11 1,014,000 standard cubic feet.

12 (b) Objections to proposed stationary CNG installations.

13 (1) Each owner of real property receiving notice of a proposed installation pursuant to
14 subsection (a) of this section shall have 18 calendar days from the date the notice is postmarked to file a
15 written objection with AFS using the CNG Form 1500A sent to them by the applicant. An objection is
16 considered timely filed when it is actually received by the Commission. AFS shall review all objections
17 within 10 business days of receipt. An objection shall be in writing and shall include a statement of facts
18 showing that the proposed installation:

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

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

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

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

27 (A) request a public hearing as specified in §13.71 of this title (relating to
28 Hearing for Denial, Suspension, or Revocation of Licenses, Manufacturer Registrations, or Certificates);
29 or

30 (B) notify the objecting party in writing within 10 business days of receipt
31 requesting further information for clarification and stating why the objection is not valid. The objecting
32 entity shall have 10 calendar days from the postmark of AFS' letter to file its corrected objection.

1 Clarification of incomplete or non-substantive objections shall be limited to two opportunities. If new
2 objections are raised in the objecting party's clarification, the new objections shall be limited to one notice
3 of correction.

4 (c) Hearings on stationary CNG installations.

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

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

7 or

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

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

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

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

22 (A) the applicant has introduced CNG into the system prior to final approval; or

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

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

27
28 §13.27. Pressure Relief Devices. **REPEAL**

29 §13.28. Pressure Gauges. **REPEAL**

30 §13.29. Pressure Regulators. **REPEAL**

31 §13.30. Piping. **REPEAL**

32 §13.31. Valves. **REPEAL**

1 §13.32. Hose and Hose Connections. **REPEAL**

2 §13.33. Compression Equipment. **REPEAL**

3

4 §13.34. Vehicle Fueling Connection.

5 ~~[(a) A vehicle fueling connection shall provide for the reliable and secure connection of the fuel~~
6 ~~system cylinders to a source of compressed natural gas (CNG).]~~

7 ~~[(b) The fueling connection shall be suitable for the pressure expected under normal conditions~~
8 ~~and corrosive conditions which might be encountered.].]~~

9 ~~[(c) The fueling connection shall prevent escape of gas when the connector is not properly~~
10 ~~engaged or becomes separated.].]~~

11 ~~[(d)]~~ In addition to NFPA 52 §6.9.3, the [The] refueling connection on an engine fuel system
12 shall be firmly supported, and shall:

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

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

18 (3) have a ~~[different]~~ fueling connection appropriate for the [each] pressure of the [base]
19 vehicle fuel system.

20 ~~[(e) Any vehicle that will be fueled by an automatic dispenser shall be equipped with a fueling~~
21 ~~connection that complies with ANSI/AGA NGV1, Requirements for Natural Gas Vehicles (NGV)~~
22 ~~Refueling Connection Devices, Requirement 1-90.].]~~

23

24 §13.35. Application for an Exception to a Safety Rule.

25 (a) In addition to NFPA 52 §4.3 and for any alternate design used for installations subject to
26 NFPA 55 requirements, a [A] person may apply for an exception to the provisions of this chapter by filing
27 CNG Form 1025 along with supporting documentation and a \$50 filing fee with AFS [LP-Gas
28 Operations].

29 (b) The application shall contain the following:

30 (1) the section number of any ~~[applicable]~~ rules for which an exception is being
31 requested;

32 (2) the type of relief desired, including the exception requested and any information

1 which may assist AFS [~~LP Gas Operations~~] in comprehending the requested exception;

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

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

8 (A) a site drawing;

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

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

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

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

17 [~~(6) an original signature, in ink, by the party filing the application or by the authorized~~
18 ~~representative;~~]

19 (6) [~~(7)~~] a list of the names and addresses of all interested entities as defined in subsection
20 (c) of this section.

21 (c) Notice of the application for an exception to a safety rule.

22 (1) The applicant shall send a copy of CNG Form 1025 by certified mail, return receipt
23 requested, to all affected entities as specified in paragraphs (2), (3), and (4) of this subsection on the same
24 date on which the form is filed with or sent to AFS [~~LP Gas Operations~~]. The applicant shall include a
25 notice to the affected entities that any objection shall be filed with AFS [~~LP Gas Operations~~] within 18
26 calendar days of the date of postmark. The applicant shall file all return receipts with AFS [~~LP Gas~~
27 ~~Operations~~] as proof of notice.

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

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

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

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

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

3 (A) the Texas Department of Public Safety; and

4 (B) all CNG loading and unloading facilities utilized by the applicant.

5 (4) AFS [~~LP-Gas Operations~~] may require an applicant to give notice to persons in
6 addition to those listed in paragraphs (2) and (3) of this subsection if doing so will not prejudice the rights
7 of any entity.

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

13 (e) AFS [~~LP-Gas Operations~~] shall review the application within 21 business days of receipt of
14 the application.

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

23 (2) If the AFS [~~LP-Gas Operations~~] director denies the exception, AFS [~~LP-Gas~~
24 ~~Operations~~] shall notify the applicant in writing, outlining the reasons and any specific deficiencies.

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

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

29 (B) [~~(f)~~] A hearing shall be held when AFS [~~LP-Gas Operations~~] receives an
30 objection as set out in subsection (d) of this section from any affected entity, or when the applicant
31 requests one following an administrative denial. AFS [~~LP-Gas Operations~~] shall forward the request for
32 hearing to the Hearings Division [~~mail the notice of hearing to the applicant and all objecting entities by~~]

1 certified mail, return receipt requested, at least 21 calendar days prior to the date of the hearing. Hearings
2 will be held in accordance with the Texas Government Code, Chapter 2001, et seq., Chapter 1 of this title
3 (relating to Practice and Procedure), and this chapter].

4 (f) [(g)] Applicants intentionally submitting incorrect or misleading information are subject to
5 penalties in the Texas Natural Resources Code, §116.142, and the filing of incorrect or misleading
6 information shall be grounds for dismissing the application with prejudice.

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

10 [(i) Temporary exception. For good cause shown, LP Gas Operations may grant a temporary
11 exception, which shall not exceed 30 days, to the examination requirements for representatives and
12 operations supervisors. Good cause shall include the death of a sole proprietor or partner. An applicant for
13 a temporary exception shall comply with all applicable safety requirements and LP Gas Operations shall
14 obtain information showing that the exception will not be hazardous to the public.]

15 (h) [(j)] A request for an exception shall expire if it is inactive for three months [90 calendar days]
16 after the date of the letter in which the applicant was notified by AFS [LP Gas Operations] of an
17 incomplete request. Additional time may be granted upon request if needed to generate engineering
18 results or calculations. The applicant may restart the application process [resubmit an exception request].

19
20 §13.36. Report of CNG Incident/Accident.

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

24 (1) caused a death or personal injury requiring hospitalization;

25 (2) required taking an operating facility out of service;

26 (3) resulted in unintentional gas ignition requiring emergency response;

27 (4) meets the requirements of subsection (c) of this section;

28 (5) caused an estimated damage to the property of the operator, others or both totaling
29 \$50,000 or more, including gas loss;

30 (6) involves a [In case of an incident involving] single release of CNG [compressed
31 natural gas (CNG)] during or following CNG transfer or during container transportation[, or an accident
32 at any location where CNG is the cause or is suspected to be the cause, the licensee owning, operating, or

1 ~~servicing the equipment or the installation shall notify LP Gas Operations by telephone within two hours~~
2 ~~of discovery after the licensee has knowledge of the incident or accident].~~ Any loss of CNG which is less
3 than 1.0% of the gross amount delivered, stored, or withdrawn need not be reported. However, any loss
4 occurring as a result of a pullaway shall be reported; ~~[-Any individual reporting shall leave his or her~~
5 ~~name, and telephone number where he or she can be reached for further information]~~

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

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

10 (b) The telephonic notice ~~[telephone notification]~~ required by this section shall be made to the
11 Railroad Commission's 24-hour emergency line at (512) 463-6788 or 844-773-0305 and shall include the
12 following ~~[information]~~:

13 (1) date and time of the incident ~~[or accident]~~;

14 ~~[(2) type of structure or equipment involved;]~~

15 (2) ~~[(3) resident's or operator's]~~ name of reporting operator;

16 (3) phone number of operator;

17 (4) ~~[physical]~~ location of leak or incident;

18 (5) personal ~~[number of]~~ injuries and/or fatalities;

19 (6) whether fire, explosion, or gas leak has occurred;

20 (7) status of ~~[whether]~~ gas leak or other immediate hazards ~~[is leaking]~~; ~~[and]~~

21 (8) other significant facts relevant to the incident; and

22 (9) ~~[(8)]~~ whether immediate assistance from AFS ~~[LP Gas Operations]~~ is requested.

23 (c) Any transport unit required to be registered with AFS ~~[LP Gas Operations]~~ in accordance with
24 §13.69 of this title (relating to Registration and Transfer of CNG Cargo Tanks and Delivery Units
25 ~~[Transports and CNG Form 1004 Decal or Letter of Authority]~~) which is involved in an accident where
26 there is damage to the tank, piping or appurtenances, or any release of CNG resulting from an accident
27 shall be reported to AFS ~~[LP Gas Operations]~~ in accordance with this section regardless of the accident
28 location. Any CNG powered motor vehicle used for school transportation or mass transit including any
29 state owned vehicle which is involved in an accident resulting in a substantial release of CNG or damage
30 to the CNG conversion equipment shall be reported to AFS ~~[LP Gas Operations]~~ in accordance with this
31 section regardless of accident location.

32 (d) Following the initial telephone report, the licensee who made the telephonic report shall

1 submit [a] CNG Form 1020 to AFS [~~Report of CNG Incident/Accident, shall be submitted to LP Gas~~
2 Operations]. The form [report] shall be postmarked within 14 calendar days of the date of initial
3 notification to AFS, or within five business days of receipt of the fire department report, whichever occurs
4 first, unless AFS grants authorization for a longer period of time when additional investigation or
5 information is necessary [~~LP Gas Operations]~~.

6 (e) Within five business days of receipt, AFS shall review CNG Form 1020 and notify in writing
7 the person submitting CNG Form 1020 if the report is incomplete and specify in detail what information
8 is lacking or needed. Incomplete reports may delay the resumption of CNG activities at the involved
9 location.

10
11 §13.37. Appurtenances and Equipment.

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

15 (1) it is specifically prohibited for use by another section of this chapter; or

16 (2) there is no test specification or procedure developed by the testing laboratory for the
17 appurtenance or equipment.

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

21 (c) In addition to NFPA 52 §1.4.1.2, the licensee or operator of the appurtenances or equipment
22 shall maintain documentation sufficient to substantiate any claims made regarding the safety of any
23 valves, fittings, and equipment and shall, upon request, furnish copies to AFS.

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

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

1 of this chapter.

2
3 §13.38. Removal from CNG Service.

4 (a) In addition to NFPA 55 §§7.1.14 and 7.1.15 and for any installations subject to NFPA 52
5 requirements, if AFS [If LP-Gas Operations] determines that any CNG [compressed natural gas (CNG)]
6 cylinder or installation constitutes an immediate danger to the public health, safety, and welfare, AFS
7 [LP-Gas Operations] shall require the immediate removal of all [the] CNG and/or the immediate
8 disconnection by a properly licensed company to the extent necessary to eliminate the danger. This may
9 include [If LP-Gas Operations determines that any CNG appliance,] equipment[;] or any part of the
10 system including the service container. A warning tag shall be attached by AFS until the unsafe condition
11 is remedied. Once the unsafe condition is remedied, the tag may be removed by an AFS inspector or by
12 the licensee if authorized by AFS [constitutes an immediate danger to the public health, safety, and
13 welfare, LP-Gas Operations shall require the immediate disconnection by a properly licensed company of
14 such appliance, equipment, or system from the CNG cylinder it services].

15 (b) If the affected entity disagrees with the removal from service and/or placement of a warning
16 tag[, or with LP-Gas Operations' findings in subsection (a) of this section], the entity may request a
17 review of AFS' decision within 10 calendar days [an investigation into the matter]. Within 10 business
18 days, AFS [LP-Gas Operations] shall notify such entity of its finding in writing, stating the deficiencies.
19 If the entity disagrees, the entity may request or AFS [LP-Gas Operations] on its own motion may request
20 [eall] a hearing. Such installation shall be brought into compliance or removed from service until such
21 time as the final decision is rendered by the Commission.

22
23 §13.39. Filling Unapproved Containers Prohibited.

24 A ~~No~~ licensee or the licensee's employees shall not introduce CNG [compressed natural gas
25 (CNG)] into any container if the licensee or employee [he] has knowledge or reason to believe [notice]
26 that such [CNG] container, cylinder, piping, or system is unsafe or is [was] not installed in accordance
27 with Texas Natural Resources Code, Chapter 116, or [the statutes of the State of Texas, and with] the
28 rules in this chapter [and regulations in effect at the time of installation.] [Exception:] This section does
29 not apply to motor fuel or mobile fuel containers and systems installed on vehicles licensed in states other
30 than Texas.

31
32 §13.40. Manufacturer's Nameplates and Markings on ASME Containers.

1 (a) In addition to NFPA 52 §5.4.5.1 and NFPA 55 §7.1.6.1, compressed ~~[Compressed]~~ natural gas
2 (CNG) shall not be introduced into any American Society of Mechanical Engineers (ASME) container
3 which is not equipped with a manufacturer's original or replacement nameplate ~~[or a manufacturer's~~
4 ~~replacement nameplate]~~ permanently attached to the container or has the required information stamped
5 directly on the vessel. No ASME container manufactured on or after November 1, 1994, shall be used in
6 the State of Texas unless it has attached to it a stainless steel manufacturer's nameplate or the required
7 information is visibly stamped directly on the vessel. ~~If the nameplate is attached, it [The nameplate]~~ shall
8 be attached in a manner that will minimize corrosion of the nameplate or its attachments or that will not
9 contribute to the corrosion of the container.

10 (b) If the nameplate is attached directly to the container, the nameplate thickness shall be
11 sufficient to resist distortion due to the application of markings and fusion welding.

12 (c) Container nameplates shall be stamped or etched with the following information in legible
13 characters:

14 (1) the mark or symbol approved by ASME indicating compliance with the provisions of
15 the ASME Pressure Vessel Code;

16 (2) the name and address of the manufacturer;

17 (3) the capacity of the container in standard cubic feet;

18 (4) the maximum allowable working pressure of the container in pounds per square inch
19 (psi);

20 ~~[(5) the wording "This container shall not contain a product having a vapor pressure in~~
21 ~~excess of _____ pounds per square inch at a temperature of 100 degrees Fahrenheit];~~

22 (5) ~~[(6)]~~ the thickness of the material used in both the shell and heads;

23 (6) ~~[(7)]~~ the overall length of the container, the outside diameter of the container, and the
24 dish radius of the heads;

25 (7) ~~[(8)]~~ the serial number of the container; and

26 (8) ~~[(9)]~~ the date of manufacture.

27 (d) Nameplates attached to or markings on ~~[shall be attached to]~~ the container shall ~~[so as to]~~
28 remain visible after installation of the containers.

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

31 (1) name of the container manufacturer;

32 (2) manufacturer's serial number;

1 (3) working pressure; and

2 (4) ~~water~~ capacity.

3
4 SUBCHAPTER C. CLASSIFICATION, REGISTRATION, AND EXAMINATION.

5 §13.61. License Categories, Container Manufacturer Registration, Fees, and Application for Licenses,
6 Manufacturer Registrations, and Renewals ~~[Licenses, Related Fees, and Licensing Requirements].~~

7 (a) A prospective licensee may apply to AFS ~~[LP Gas Operations]~~ for one or more licenses
8 specified in subsection (b)(1) - ~~(7)~~ ~~[(6)]~~ of this section. Fees required to be paid by subsection (b)(1) - (7)
9 of this section ~~[shall be those established by the Commission and in effect at the time of licensing or~~
10 ~~renewal]~~ shall be paid at the time of application or renewal. ~~[A person shall not engage in CNG activities~~
11 ~~unless that person has obtained a license as specified in this section. If a license expires or lapses, the~~
12 ~~person shall immediately cease CNG operations.]~~

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

14 (1) A Category 1 license for container assembly and repair ~~[manufacturers of CNG~~
15 ~~cylinders]~~ authorizes the ~~[manufacture,]~~ assembly, repair, testing, sale, installation, and ~~[or]~~ subframing of
16 ASME or DOT CNG containers ~~[cylinders]~~. A Category 1 license includes all activities covered by both
17 the Category 1A and 1B licenses. The original license fee is \$1,000; the renewal fee is \$600.

18 (2) A Category 1A license for ASME container assembly and repair authorizes the
19 assembly, repair, testing, sale and installation of ASME containers. The original license fee is \$1,000; the
20 renewal fee is \$600.

21 (3) A Category 1B license for U.S. Department of Transportation (DOT) container
22 assembly and repair authorizes the assembly, repair, testing, sale, installation, and subframing, of CNG
23 DOT containers. The original license fee is \$1,000; the renewal fee is \$600.

24 (4) ~~[(2)]~~ A Category 2 license for general installers and repairmen authorizes the sale,
25 installation, service, or repair of CNG systems, including cylinders. The original license fee is \$300; the
26 renewal fee is \$150.

27 (5) ~~[(3)]~~ A Category 3 license for retail and wholesale dealers authorizes the sale, storage,
28 transportation for delivery, or dispensing of CNG for use other than by an ultimate consumer, and the
29 sale, installation, service, or repair of CNG systems as set out in Categories 2, 5, and 6. The original
30 license fee is \$750; the renewal fee is \$300.

31 (6) ~~[(4)]~~ A Category 4 license for testing laboratories authorizes the testing of CNG
32 cylinders. The original license fee is \$400; the renewal fee is \$200.

1 (7) ~~[(5)]~~ A Category 5 license for service stations or cylinder exchangers authorizes the
2 operation of a CNG service station, including filling CNG cylinders, or the operation of a cylinder
3 exchange dealership, including filling CNG cylinders, the sale of CNG in cylinders, the sale of CNG
4 cylinders, and the replacement of cylinder valves. The original license fee is \$150; the renewal fee is \$70.

5 ~~[(6) A Category 6 license for equipment dealers authorizes the sale of CNG cylinders or
6 systems. The original license fee is \$100; the renewal fee is \$50.]~~

7 (c) A military service member, military veteran, or military spouse shall be exempt from the
8 original license fee specified in subsection (b) of this section pursuant to the requirements in §13.76 of
9 this title (relating to Military Fee Exemption). An individual who receives a military fee exemption is not
10 exempt from the renewal or transport registration fees specified in subsection (n) of this section and
11 §13.69 of this title (relating to Registration and Transfer of CNG Cargo Tanks or Delivery Units).

12 (d) In addition to NFPA 55 §7.1.12, no person may engage in CNG activities until that person
13 has obtained a license from the Commission authorizing that activity, except as follows:

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

18 (2) ~~[(e)]~~ An ultimate consumer is not subject to the licensing requirements of this chapter
19 [title] in order to perform those CNG activities dealing only with the ultimate consumer; however, a
20 license is required to register a transport or cylinder delivery unit. An ultimate consumer's license does
21 not require a fee or a company representative.

22 (3) ~~[(d)]~~ An original manufacturer of a new motor vehicle powered by CNG or a
23 subcontractor of a manufacturer who produces a new CNG powered motor vehicle for the manufacturer is
24 not subject to the licensing requirements of this chapter, but shall comply with all other rules [regulations
25 for compressed natural gas] in this chapter.

26 (e) A license obtained by an individual, partnership, corporation, or other legal entity shall extend
27 to the entity's employees who are performing CNG activities [work], provided that each employee is
28 properly certified as required by this chapter.

29 (f) An applicant for license shall not engage in CNG activities until it has employed a company
30 representative who meets the requirements of §13.72 of this title (relating to Designation and
31 Responsibilities of Company Representative and Operations Supervisor).

32 (g) ~~[(f)]~~ Licensees, registered manufacturers, company representatives, and operations

1 supervisors at each outlet shall have copies of all current licenses and/or manufacturer registrations and
2 certification cards for employees at that location available for inspection during regular business hours. In
3 addition, licensees and registered manufacturers shall maintain a current version of the rules in this
4 chapter and any adopted codes covering CNG activities performed by the licensee or manufacturer, and
5 shall provide at least one copy of all publications to each company representative and operations
6 supervisor. The copies shall be available to employees during business hours [~~shall maintain a copy of the~~
7 ~~current Regulations for Compressed Natural Gas and shall provide at least one copy to each company~~
8 ~~representative and operations supervisor. The copies shall be available to employees during business~~
9 ~~hours].~~

10 [~~(g) Licensees shall have copies of all current licenses and examination identification cards for~~
11 ~~employees at each location available for inspection during regular business hours.]~~

12 (h) Licenses or manufacturer registrations issued under this chapter expire one year after issuance
13 at midnight on the last day of the month previous to the month in which they are issued.

14 (i) If a license or registration expires, the person shall immediately cease CNG activities.

15 [~~(i) For license renewals, LP Gas Operations shall notify the licensee in writing at the address on~~
16 ~~file with LP Gas Operations of the impending license expiration at least 30 calendar days before the date~~
17 ~~the license is scheduled to expire. Renewals shall be submitted to LP Gas Operations along with the~~
18 ~~license renewal fee specified in subsection (b) of this section on or before the last day of the month in~~
19 ~~which the license expires in order for the licensee to continue CNG activities. Failure to meet the renewal~~
20 ~~deadline set forth in this section shall result in expiration of the license. If a person's license expires, that~~
21 ~~person shall immediately cease performance of any CNG activities.]~~

22 [~~(1) If a person's license has been expired for 90 calendar days or fewer, the person shall~~
23 ~~submit a renewal fee that is equal to 1 1/2 times the renewal fee required in subsection (b) of this section.~~
24 ~~Upon receipt of the renewal fee, LP Gas Operations shall verify that the person's license has not been~~
25 ~~suspended, revoked, or expired for more than one year. After verification, if the licensee has met all other~~
26 ~~requirements for licensing, LP Gas Operations shall renew the license, and the person may resume CNG~~
27 ~~activities.]~~

28 [~~(2) If a person's license has been expired for more than 90 calendar days but less than~~
29 ~~one year, the person shall submit a renewal fee that is equal to two times the renewal fee required in~~
30 ~~subsection (b) of this section. Upon receipt of the renewal fee, LP Gas Operations shall verify that the~~
31 ~~person's license has not been suspended, revoked, or expired for more than one year. After verification, if~~
32 ~~the licensee has met all other requirements for licensing, LP Gas Operations shall renew the license, and~~

1 ~~the person may resume CNG activities.]~~

2 ~~[(3) If a person's license has been expired for one year or longer, that person may not~~
3 ~~renew, but shall comply with the requirements for issuance of an original license.]~~

4 ~~[(4) A person who was licensed in this state, moved to another state, and is currently~~
5 ~~licensed and has been in practice in the other state for the two years preceding the date of application,~~
6 ~~may obtain a new license without reexamination. The person shall pay to LP Gas Operations a fee that is~~
7 ~~equal to two times the renewal fee required by subsection (b) of this section.]~~

8 ~~[(A) As a prerequisite to licensing pursuant to this provision, the person shall~~
9 ~~submit, in addition to an application for licensing, proof of having been in practice and licensed in good~~
10 ~~standing in another state continuously for the two years immediately preceding the filing of the~~
11 ~~application;]~~

12 ~~[(B) A person licensed under this provision shall be required to comply with all~~
13 ~~requirements of licensing other than the examination requirement, including but not limited to the~~
14 ~~insurance requirements as specified in §13.62 of this title (relating to Insurance Requirements).]~~

15 (j) Applicants for a new license ~~[or license renewal]~~ shall file with AFS: ~~[LP Gas Operations]~~

16 (1) a properly completed CNG Form 1001 listing all names under which CNG related
17 activities requiring licensing are to be conducted and the applicant's properly qualified [designating a]
18 company representative, and the following forms or documents as applicable: [who shall be an owner or
19 employee of the licensee, and shall be directly responsible for actively supervising CNG operations of the
20 licensee. A licensee may have more than one company representative.]

21 (A) CNG Form 1001A if the applicant will operate any outlets pursuant to
22 subsection (j) of this section;

23 (B) CNG Form 1007 and any information requested in §13.69 of this title if the
24 applicant intends to register any CNG cargo tanks or container delivery units;

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

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

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

31 (F) copies of the assumed name certificates if required by §13.75 of this title; and

32 (2) payment for all applicable fees.

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

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

5 ~~[(1) An applicant for license shall not engage in CNG activities governed by the Texas~~
6 ~~Natural Resources Code, Chapter 116, and the Regulations for Compressed Natural Gas, until its~~
7 ~~company representative has successfully completed the management examination administered by~~
8 ~~AFRED.]~~

9 ~~[(2) The licensee shall notify LP Gas Operations in writing upon termination of its~~
10 ~~company representative of record and shall at the same time designate a replacement by submitting a new~~
11 ~~CNG Form 1001.]~~

12 ~~[(3) The licensee shall cease operations if, at the termination of its company~~
13 ~~representative, there is no other qualified company representative of the licensee who has complied with~~
14 ~~the Commission's requirements. The licensee shall not resume CNG activities until such time as it has a~~
15 ~~properly qualified company representative.]~~

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

17 (1) Each outlet shall employ an operations supervisor who meets the requirements of
18 §13.72 of this title.

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

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

25 (1) Applicants for container manufacturer registration shall file with AFS CNG Form
26 1001M, and the following forms or documents as applicable:

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

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

30 (C) copies of the assumed name certificates if required by §13.75 of this title;

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

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

10 (2) By filing CNG Form 1001M, the applicant certifies that it has read the requirements
11 of this chapter and shall comply with all applicable rules, regulations and adopted standards.

12 (3) The required fee shall accompany CNG Form 1001M. An original registration fee is
13 \$1,000; the renewal fee is \$600.

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

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

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

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

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

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

26 (3) If all requirements have been met, AFS will issue the license or manufacturer
27 registration and send the license or registration to the licensee or manufacturer, as applicable.

28 (n) For license and manufacturer registration renewals:

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

32 (2) The renewal notice shall include copies of applicable CNG Forms 1001, 1001A, and

1 1007, or CNG Form 1001M showing the information currently on file.

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

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

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

9 (6) If a person's license or manufacturer registration has been expired for 90 calendar
10 days or fewer, the person shall submit a renewal fee that is equal to 1 1/2 times the renewal fee in
11 subsections (a) and (k) of this section, respectively.

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

15 (8) If a person's license or manufacturer registration has been expired for one year or
16 longer, that person shall not renew, but shall comply with the requirements for issuance of an original
17 license or manufacturer registration under subsections (i) or (k) of this section.

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

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

23 (1) An applicant for a Category 4 license or renewal shall file with AFS a completed
24 CNG Form 1505, certifying that the applicant will follow the testing procedures indicated. CNG Form
25 1505 shall be signed by the appropriate CNG company representative designated on CNG Form 1001.

26 (2) An applicant for Category 1 or 4 license or renewal who tests tanks, subframes CNG
27 cargo tanks, or performs other activities requiring DOT registration shall file with AFS a copy of any
28 applicable current DOT registrations. Such registration shall comply with Title 49, Code of Federal
29 Regulations, Part 107 (Hazardous Materials Program Procedures), Subpart F (Registration of Cargo Tank
30 and Cargo Tank Motor Vehicle Manufacturers and Repairers and Cargo Tank Motor Vehicle
31 Assemblers).

32 ~~[(k) In addition to complying with other licensing requirements set out in the Texas Natural~~

1 ~~Resources Code and the Regulations for Compressed Natural Gas, applicants for license or license~~
2 ~~renewal in the following categories shall comply with the specified additional requirements.]~~

3 ~~[(1) An applicant for a Category 1 license or renewal shall file with LP Gas Operations~~
4 ~~for each of its outlets legible copies of:]~~

5 ~~[(A) its current DOT authorization. A licensee shall not continue to operate after~~
6 ~~the expiration date of the DOT authorization; and/or]~~

7 ~~[(B) its current ASME Code, Section VIII certificate of authorization or "R"~~
8 ~~certificate. If ASME is unable to issue a renewed certificate of authorization prior to the expiration date,~~
9 ~~the licensee may request in writing an extension of time not to exceed 60 calendar days past the expiration~~
10 ~~date. The licensee's request for extension shall be received by LP Gas Operations prior to the expiration~~
11 ~~date of the ASME certificate of authorization referred to in this section, and shall include a letter or~~
12 ~~statement from ASME that the agency is unable to issue the renewal certificate of authorization prior to~~
13 ~~expiration and that a temporary extension will be granted for its purposes. A licensee shall not continue to~~
14 ~~operate after the expiration date of an ASME certificate of authorization until the licensee files a current~~
15 ~~ASME certificate of authorization with LP Gas Operations, or LP Gas Operations grants a temporary~~
16 ~~exception.]~~

17 ~~[(2) An applicant for a Category 4 license or renewal shall file a properly completed~~
18 ~~CNG Form 1505 with LP Gas Operations, certifying that the applicant will follow the testing procedures~~
19 ~~indicated. CNG Form 1505 shall be signed by the appropriate CNG company representative designated~~
20 ~~on CNG Form 1001.]~~

21 ~~[(4) A military service member, military veteran, or military spouse shall be exempt from the~~
22 ~~original license fee specified in subsection (b) of this section pursuant to the requirements in §13.76 of~~
23 ~~this title (relating to Military Fee Exemption). An individual who receives a military fee exemption is not~~
24 ~~exempt from renewal or transport registration fees specified in subsection (i) of this section and §13.69 of~~
25 ~~this title (relating to Registration and Transfer of CNG Transports and CNG Form 1004 Decal or Letter of~~
26 ~~Authority).]~~

27
28 §13.62. Insurance Requirements.

29 (a) A licensee or registered manufacturer shall not perform any activity authorized by its license
30 or registration under §13.61 of this title (relating to License Categories, Container Manufacturer
31 Registration, Fees, and Application for Licenses, Manufacturer Registrations, and Renewals) unless
32 insurance coverage required by this section is in effect. CNG licensees, registered manufacturers, or

1 applicants for license or manufacturer registration shall comply with the minimum amounts of insurance
2 specified in Table 1 of this section, with the self-insurance requirements in §13.63 of this title (relating to
3 Self-Insurance Requirements), or the irrevocable letter of credit requirements in §13.64 of this title
4 (relating to Irrevocable Letter of Credit), if applicable. Registered manufacturers are not eligible for self-
5 insurance. Before AFS grants or renews a manufacturer registration, an applicant for manufacturer
6 registration shall submit the documents required by paragraph (1) of this subsection. Before AFS grants
7 or renews a license, an applicant for license shall submit:

8 **Figure: 16 TAC §13.62(a)**

9 ~~[(b) Before LP Gas Operations grants or renews a license, the applicant shall submit either:]~~

10 (1) ~~an [An] insurance Acord™ form[;] or any other form approved by the Texas~~
11 ~~Department of Insurance that has been prepared and signed by the insurance carrier containing all~~
12 ~~required information. The forms must be issued by an insurance company authorized or accepted by the~~
13 ~~Texas Department of Insurance; [ø]~~

14 (2) properly completed documents demonstrating the applicant's compliance with the
15 self-insurance requirements in §13.63 of this title; ~~or [(relating to Qualification as Self-Insured)]~~

16 (3) properly completed documents demonstrating the applicant's compliance with the
17 irrevocable letter of credit requirements in §13.64 of this title.

18 ~~[(c) A licensee shall not perform any licensed activity under §13.61 of this title (relating to~~
19 ~~Licenses, Related Fees, and Licensing Requirements) unless insurance coverage required by this section~~
20 ~~is in effect.]~~

21 ~~[(d) Except as provided in the column relating to Statements in Lieu of Required Insurance Filing~~
22 ~~in Table 1, subsection (a) of this section, and paragraphs (1)–(5) of this subsection, the types and~~
23 ~~amounts of insurance specified in subsection (a) of this section are required while engaging in any of the~~
24 ~~activities set forth in this section or any activity incidental thereto.]~~

25 (b) ~~[(1)]~~ A ~~[Category 3] licensee, [ø] applicant for license, or an~~ ultimate consumer that does not
26 operate or contemplate operating [the operation of] a motor vehicle equipped with a CNG cargo container
27 or [transport and] does not transport or contemplate transporting [the delivery of] CNG [eylinders] by
28 vehicle in any manner may file [a] CNG Form 1997B in lieu of filing motor vehicle bodily injury and
29 property damage [liability] insurance form, if this certificate is not otherwise required. The licensee or
30 applicant for a license shall [must] file the required insurance form with AFS [LP Gas Operations] before
31 operating a motor vehicle equipped with a CNG cargo container or transporting CNG by vehicle in any
32 manner.

1 (d) [(2)] A licensee, registered manufacturer, or applicant for a license or manufacturer
2 registration that does not engage in or contemplate engaging in any activities that [~~operations which~~]
3 would be covered by general liability insurance may file [a] CNG Form 1998B in lieu of filing a general
4 liability insurance form. The licensee, registered manufacturer, or applicant for a license or manufacturer
5 registration shall [~~must~~] file the required insurance form with AFS [~~LP-Gas Operations~~] before engaging
6 in any activities [~~operations~~] that require general liability insurance.

7 (e) [(3)] A licensee or applicant for license that does not employ or contemplate employing
8 anyone [~~the hiring of an employee or employees~~] to be engaged in CNG related activities in Texas may
9 file [a] CNG Form 1996B in lieu of filing a workers' compensation insurance form, including employer's
10 liability insurance or alternative accident and health insurance coverage. The licensee or applicant for a
11 license shall [~~must~~] file the required insurance form with AFS [~~LP-Gas Operations~~] before hiring any
12 person as an employee engaged in CNG related work.

13 (f) [(4)] A licensee, registered manufacturer, or applicant for a license or manufacturer
14 registration that does not engage in or contemplate engaging in any CNG activities [~~operations~~] that
15 would be covered by completed operations or products liability insurance, or both, may file CNG Form
16 1998B in lieu of a completed operations and/or products liability insurance form. The licensee, registered
17 manufacturer, or applicant for a license or manufacturer registration shall file the required insurance form
18 with AFS [~~LP-Gas Operations~~] before engaging in any activities [~~operations~~] that require completed
19 operations and/or products liability insurance.

20 (g) [(5)] A licensee may protect its employees by obtaining accident and health insurance
21 coverage from an insurance company authorized to write such policies in this state as an alternative to
22 workers' compensation coverage. The alternative coverage shall be in the amounts specified in Table 1 of
23 this section.

24 [(e) As evidence that required insurance has been secured and is in force, insurance forms which
25 are approved by the Texas Department of Insurance shall be filed with LP-Gas Operations before
26 licensing, license renewal, and during the entire period that the license is in effect. Any document filed
27 with LP-Gas Operations in a timely manner which is not completed in accordance with the instructions
28 indicated on the insurance forms supplied by LP-Gas Operations, but which complies with the substantive
29 requirements of this section and with the rules adopted under this section, may be considered by LP-Gas
30 Operations to be evidence that required insurance has been secured and is in force for a temporary period
31 not to exceed 45 days. During this temporary period, a licensee shall file with LP-Gas Operations an
32 amended certificate of insurance which complies with all procedural and substantive requirements of this

1 ~~section and this chapter.]~~

2 ~~[(f) All certificates filed under this section shall be continuous in duration and shall remain on file~~
3 ~~with LP Gas Operations during the entire period that the license is in effect.]~~

4 ~~(h) [(g)]~~ Each licensee or registered manufacturer shall file CNG Form 1999 or other written
5 notice with AFS [LP Gas Operations] at least 30 calendar days before the cancellation of any insurance
6 coverage. The 30-day period commences on the date the notice is actually received by AFS [LP Gas
7 Operations].

8 ~~[(h) A state agency or institution, county, municipality, school district, or other governmental~~
9 ~~subdivision may meet the requirements relating to general liability and/or motor vehicle liability~~
10 ~~insurance or workers' compensation coverage by filing CNG Form 1995 with LP Gas Operations as~~
11 ~~evidence of self insurance, if permitted by the Texas Labor Code, Title 5, Subtitle C, and Texas Natural~~
12 ~~Resources Code, §116.036.]~~

13 (i) Each licensee or registered manufacturer shall promptly notify AFS [LP Gas Operations] of
14 any change in insurance coverage or insurance carrier by filing a [~~properly completed~~] revised Acord™
15 form; other form approved by the Texas Department of Insurance that has been prepared and signed by
16 the insurance carrier containing all required information; or documents demonstrating the applicant's
17 compliance with the self-insurance requirements set forth in §13.63 of this title [~~(relating to Qualification~~
18 ~~as Self Insured)]]. Failure to promptly notify AFS [LP Gas Operations] of a change in the status of
19 insurance coverage or insurance carrier may result in an enforcement action and an administrative
20 penalty.~~

21 ~~(j) A state agency or institution, county, municipality, school district, or other governmental~~
22 ~~subdivision may meet the requirements of this section for workers' compensation, general liability and/or~~
23 ~~motor vehicle liability insurance. The requirements may be met by submitting evidence of self-insurance~~
24 ~~that complies with the requirements of §13.63 or §13.64 of this title. CNG Form 1995 may be filed as~~
25 ~~evidence of self-insurance, if self-insurance is permitted by the Texas Labor Code, Title 5, Subtitle C, and~~
26 ~~Texas Natural Resources Code, §116.036.~~

27
28 §13.63. Self-Insurance Requirements [Qualification as Self Insured].

29 (a) General qualifications. AFS [LP Gas Operations] may approve the application of a CNG
30 licensee to qualify as a self-insurer if such licensee furnishes a true and accurate statement of its financial
31 condition and other evidence which establishes to the satisfaction of AFS [LP Gas Operations] the ability
32 of such licensee to satisfy its obligations for the minimum insurance requirements specified in §13.62 of

1 this title (relating to Insurance Requirements). Registered manufacturers are not eligible for self-
2 insurance. This section shall not apply to AFS [~~LP-Gas Operations~~] licensing requirements for worker's
3 compensation insurance, including employer's liability coverage.

4 (b) Applicant guidelines. In addition to filing [a] CNG Form 1027, Application for Qualification
5 as Self-Insurer, an applicant applying for self-insurer status covering general liability, including premises
6 and operations coverage, shall submit materials that will allow AFS [~~LP-Gas Operations~~] to determine
7 whether:

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

13 (2) the applicant has a sound self-insurance program. The applicant shall demonstrate that
14 it has established, and will maintain an insurance program that will protect the public against all claims
15 involving CNG activities to the same extent as the minimum limits applicable pursuant to Table 1 in
16 §13.62(a) [~~§13.61(a)(6) and (7)~~] of this title (relating to Insurance Requirements [~~Licensing~~]). Such a
17 program may include, but not be limited to, one or more of the following: reserves; sinking funds; third
18 party financial guarantees; parent company or affiliate sureties; excess insurance coverage; or other
19 similar arrangements;

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

22 (c) Other securities or agreements. AFS [~~LP-Gas Operations~~] may consider applications for
23 approval of other securities or agreements, or may require any other document(s) which may be necessary
24 to ensure such application satisfies that the security or agreement offered will afford adequate security for
25 protection of the public.

26 (d) Periodic reports. The applicant shall file with semiannual [~~Semiannual~~] reports and annual
27 statements reflecting the applicant's financial condition and status of its self-insurance program [~~shall be~~
28 ~~filed~~] with AFS [~~LP-Gas Operations~~] during the period of its self-insurer status by March 10 and
29 September 10 of each year.

30 (e) Duration of self-insurer status. AFS [~~LP-Gas Operations~~] may approve the applicant as a
31 self-insurer for any specific time period, or for an indefinite period until revoked by AFS [~~LP-Gas~~
32 ~~Operations~~].

1 (f) Revocation of a self-insurer status. AFS [~~LP Gas Operations~~] may at any time, upon 10 days
2 notice to the applicant, require the applicant to appear and demonstrate that it continues to have adequate
3 financial resources to pay all general liability, including premises and operations coverage claims, and
4 that it remains in compliance with the other requirements of this section. If the applicant fails to so
5 demonstrate, its self-insurer status shall be revoked and it may be ineligible for self-insurance in the
6 future.

7 (g) A state agency or institution, county, municipality, school district, or other governmental
8 subdivision may meet the requirements for general liability and/or motor vehicle liability insurance or
9 workers' compensation coverage of §13.62 of this title if permitted by the Texas Workers' Compensation
10 Act, Texas Labor Code, Title 5, Subtitle A; and the Texas Natural Resources Code, §116.036, by
11 submitting [a] CNG Form 1995 to AFS [~~LP Gas Operations~~].

12
13 §13.64. [~~Qualification by~~] Irrevocable Letter of Credit.

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

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

18 (2) the letter of credit must be irrevocable during their terms;

19 (3) the letter must be payable to the commission in part or in full upon demand and
20 receipt from the commission of a notice of forfeiture;

21 (4) this section shall not apply to AFS' [~~LP Gas Operations~~] licensing requirements for
22 worker's compensation insurance, including employer's liability coverage.

23
24 §13.65. Statements in Lieu of Insurance Certificates. **REPEAL**

25
26 §13.66. Limitation/Avoidance of Licensee Liability. **NO CHANGE**

27
28 §13.67. Changes in Ownership, [~~and/or~~] Form of Dealership, or Name of Dealership.

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

30 (1) Transfer of dealership outlet or location by sale, lease, or gift. [~~(1) Licensing.~~] The
31 purchaser, lessee, or donee of any dealership or outlet shall have a current and valid license or
32 manufacturer registration authorizing the CNG activities to be performed at the dealership or outlet or

1 ~~[location]~~ shall apply for and be issued a ~~[notice of tentative]~~ CNG license or manufacturer registration
2 ~~[approval,]~~ prior to engaging in any CNG activities which require a license or manufacturer registration.
3 The purchaser, lessee, or donee shall notify AFS by filing a properly completed CNG Form 1001 or CNG
4 Form 1001M prior to engaging in any CNG activities at that dealership or outlet which require a CNG
5 license or manufacturer registration ~~[the transfer of such an entity. Such tentative CNG license approval,~~
6 ~~when issued, shall be valid for a period not to exceed 90 days from the date of issue. During this 90-day~~
7 ~~period, the licensee and the recipient of the tentative CNG license approval shall be allowed to conduct~~
8 ~~business under this subchapter. Any applicable licensing fees shall be prorated to cover this period of~~
9 ~~tentative approval and shall be payable at the time of application for tentative approval. Any portion of~~
10 ~~the licensing fees unused during this 90-day period shall be applied on a prorated basis to the licensing fee~~
11 ~~required of the new purchaser, lessee, or donee of such dealership or outlet].~~

12 ~~[(2) Notice. After the transfer of any dealership outlet or location, the new~~
13 ~~operator/owner or the authorized representative thereof, shall notify LP Gas Operations of the completed~~
14 ~~transfer of such dealership by certified mail immediately upon the completion of said transfer, and file~~
15 ~~with LP Gas Operations all forms of application for licensing or registration required by this subchapter.]~~

16 ~~(2) [(b)] Other changes in ownership. [(1) Licensing.]~~ A change in members of a
17 partnership occurs upon the death, withdrawal, expulsion, or addition of a partner. Upon the death of a
18 sole proprietor or partner, the dissolution of a corporation or partnership, any changes in the members of a
19 partnership, or other changes in ownership not specifically provided for ~~[elsewhere]~~ in this section, an
20 authorized representative of the previously existing dealership or of the successor in interest shall notify
21 AFS in writing and shall immediately cease all CNG activities of the previously existing dealership which
22 require a CNG license or manufacturer registration and shall not resume until AFS issues a CNG license
23 or manufacturer registration to the successor in interest ~~[, the CNG operation shall continue for no longer~~
24 ~~than 30 days, unless a CNG license is issued to the successor in interest and the notice requirements of~~
25 ~~paragraph (2) of this subsection have been satisfied. This 30-day period shall be allowed only when the~~
26 ~~licensee meets all other pertinent requirements of this subchapter, specifically those regarding the~~
27 ~~licensee's representative].~~

28 ~~[(2) Notice. The successor in interest shall notify LP Gas Operations by certified mail of~~
29 ~~the death of a sole proprietorship or partner, the dissolution of a corporation or partnership, any change in~~
30 ~~partnership members, or other changes in ownership not specifically provided for in this section.]~~

31 ~~[(3) Change in partnership members. A change in partnership members occurs upon the~~
32 ~~death, withdrawal, expulsion, or addition of a partner.]~~

1 ~~[(4) Transfer of stock. Notwithstanding, the provisions of paragraphs (1)–(3) of this~~
2 ~~subsection, a change in ownership does not occur, for the purpose of this section, when shares of stock in~~
3 ~~a corporation are transferred, exchanged, sold, or alienated, unless such action creates a new controlling~~
4 ~~interest in such corporation.]~~

5 **(b) [(e)] Changes in dealership business entity [form]. [(1) Licensing.]** When a dealership
6 converts from one business entity into [to] a different kind of business entity, the resulting [newly
7 formed] entity shall have a valid license or manufacturer registration authorizing the CNG activities to be
8 performed or shall apply for and be issued a [notice of tentative CNG] license or manufacturer
9 registration before [approval, prior to] engaging in any CNG activities which require a CNG license or
10 manufacturer registration and shall immediately notify AFS in writing of the change in business entity
11 [the conversion. Such tentative CNG license approval, when issued, shall be valid for a period not to
12 exceed 90 days from the date of issue. During this 90-day period, the licensee (regardless of form) shall
13 be allowed to conduct business under this subchapter. Any applicable licensing fees shall be paid or
14 maintained to cover this period of tentative approval and shall be paid or payable at the time of
15 application for tentative approval. Any fees paid by this original entity shall be credited on a prorated
16 basis to the account of the new entity].

17 ~~[(2) Notice. An authorized representative of the original entity or of the new entity shall~~
18 ~~notify LP Gas Operations by certified mail of an accomplished change in business form immediately~~
19 ~~upon the completion of such conversion, and shall cause to be filed with LP Gas Operations all forms of~~
20 ~~applications for licensing or registration required by this subchapter.]~~

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

25 (1) an amended CNG Form 1001 or CNG Form 1001M;

26 (2) an amended CNG Form 1001A, if outlet names will change;

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

29 (4) certificates of insurance or affidavits in lieu of insurance if permitted by §13.63 of this
30 title (relating to Self-Insurance Requirements) or both; and

31 (5) any other forms required by AFS.

32 **(d) Company representative and operations supervisor.** In all changes of ownership, form of

1 dealership, or name of dealership, the resulting entity shall have a properly certified company
2 representative for the license and an operations supervisor, if required, at each outlet and as specified in
3 §13.72 of this title (relating to Designation and Responsibilities of Company Representative and
4 Operations Supervisor).

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

10
11 §13.68. Dealership Name Change. **REPEAL**

12
13 §13.69. Registration and Transfer of CNG Cargo Tanks or Delivery Units [~~Transports and CNG Form~~
14 ~~1004 Decal or Letter of Authority~~].

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

17 (b) [(a)] A person who operates a transport [equipped with CNG cargo tanks or any cylinder
18 delivery] unit, regardless of who owns the [transport or] unit, shall register such [transport or] unit with
19 AFS [LP Gas Operations] in the name or names under which the operator conducts business in Texas
20 prior to the [transport or] unit being used in CNG service.

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

22 (A) pay to AFS [LP Gas Operations] the \$270 registration fee for each [~~bobtail~~
23 ~~truck, semitrailer, cylinder delivery] unit[, or other motor vehicle equipped with CNG cargo tanks; and]~~

24 (B) file a properly completed CNG Form 1007;

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

26 (D) file a copy of the US DOT special permit under which the container is built;

27 and

28 (E) file a copy of the most recent test required by the US DOT special permit
29 under which the container was built.

30 (2) To register a [~~specification~~] unit which was previously registered in Texas but for
31 which the registration has expired, the operator of the unit shall:

32 (A) pay to AFS [LP Gas Operations] the \$270 registration fee;

1 (B) file a properly completed CNG Form 1007; and

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

4 (3) To transfer a currently registered unit, the new operator [~~owner~~] of the unit [~~transport~~]
5 shall:

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

7 (B) file a properly completed CNG Form 1007.

8 (4) To re-register a currently registered unit, the licensee operating the unit shall pay a
9 \$270 annual registration fee.

10 [~~(b) LP Gas Operations may also request that an operator registering or transferring any unit to~~
11 ~~file a copy of the Manufacturer's Data Report.]~~

12 (c) When all registration or transfer requirements have been met, AFS [~~LP Gas Operations~~] shall
13 issue CNG Form 1004 [~~or letter of authority~~] which shall be properly affixed in accordance with the
14 placement instructions on the form [~~as instructed on the decal or letter or maintained on the bobtail or~~
15 ~~transport trailer~~]. CNG Form 1004 [~~or letter of authority~~] shall authorize the licensee or ultimate
16 consumer to whom it has been issued and no other person to operate such unit in the transportation of
17 CNG and to fill the transport containers.

18 (1) A person shall not operate a CNG transport [~~unit~~] or cylinder delivery unit [~~or~~
19 ~~introduce CNG into a transport container~~] in Texas unless the CNG Form 1004 [~~or letter of authority~~] has
20 been properly affixed [~~as instructed on the decal or the letter or maintained on the bobtail or transport~~
21 ~~trailer~~] or unless its operation has been specifically approved by AFS [~~LP Gas Operations~~].

22 (2) A person shall not introduce CNG into a transport container unless that unit bears a
23 CNG Form 1004 or unless specifically approved by AFS.

24 (3) [(2)] CNG Form 1004 [~~or letter of authority~~] shall not be transferable by the person to
25 whom it has been issued, but shall be registered by any subsequent licensee or ultimate consumer prior to
26 the unit being placed into CNG service.

27 (4) [(3)] This subsection shall not apply to:

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

32 (B) a person who introduces a maximum of 500 cubic feet of CNG into a newly

1 constructed transport container when such container will provide the motor fuel to the chassis engine for
2 the purpose of allowing the unit to reach its destination.

3 (5) [(4)] AFS [LP Gas Operations] shall not issue a CNG Form 1004 [~~or letter of~~
4 ~~authority~~] if AFS [LP Gas Operations] or a Category 1 or 4 licensee determines that the transport is
5 unsafe for CNG service.

6 (6) [(5)] If a CNG Form 1004 decal [~~or letter of authority~~] on a unit currently registered
7 with AFS [LP Gas Operations] is destroyed, lost, or damaged, the operator of that vehicle shall obtain a
8 replacement by filing CNG Form 1018B and a \$50 replacement fee with AFS [LP Gas Operations].

9
10 §13.70. Examination and Exempt Registration Requirements and Renewals.

11 (a) Requirements and application for a new certificate [~~Examination general provisions~~].

12 (1) In addition to NFPA 52 §§1.4.3 and 4.2, and NFPA 55 §4.7, no person shall perform
13 work, directly supervise CNG activities, [No individual may work] or be employed in any capacity
14 requiring [which requires] contact with CNG unless [~~or CNG systems until~~] that individual is employed
15 by a licensee and;

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

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

19 (C) holds a current examination exemption pursuant to subsection (g) of this
20 section [~~has submitted to and successfully completed an examination which measures the competency of~~
21 ~~that individual to perform the CNG related activities anticipated, and tests working knowledge of the~~
22 ~~Texas Natural Resources Code and the regulations for compressed natural gas related to the type of CNG~~
23 ~~work anticipated. Table 1 of this section sets forth specific requirements for examination for each~~
24 ~~category of license. This section applies to all licensees and their employees who perform CNG related~~
25 ~~activities, and also applies to any ultimate consumer who has purchased, leased, or obtained other rights~~
26 ~~in any vessel defined as a CNG transport by this chapter and any employee of such ultimate consumer if~~
27 ~~that employee drives or in any way operates such a CNG transport. Driving a motor vehicle powered by~~
28 ~~CNG or fueling of motor vehicles for an ultimate consumer by the ultimate consumer or its employees do~~
29 ~~not in themselves constitute CNG related activities. Only paragraph (2) of this subsection applies to an~~
30 ~~employee of an ultimate consumer or a state agency or institution, county, municipality, school district, or~~
31 ~~other governmental subdivision].~~

32 [Figure: 16 TAC §13.70(a)(1)]

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

3 (b) Rules examination.

4 (1) An individual who passes the applicable rules examination with a score of at least
5 75% will become a certificate holder. AFS will mail a certificate to the licensee listed on the CNG Form
6 1016. If a licensee is not listed on the form, the certificate will be mailed to individual's personal address.

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

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

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

13 (A) a completed CNG Form 1016; and

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

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

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

23 (B) Exam fees.

24 (i) ~~[(A)]~~ The ~~[Individuals wishing to take a management-level rules~~
25 ~~examination (for company representatives or operations supervisors) shall pay a]~~ nonrefundable
26 ~~management-level rules examination~~ fee is \$70 ~~[of \$70 before taking any such examination].~~

27 (ii) ~~[(B)]~~ The ~~[Individuals wishing to take an employee-level rules~~
28 ~~examination (for employees other than company representatives or operations supervisors) shall pay a]~~
29 ~~nonrefundable employee-level rules examination~~ fee is \$40 ~~[of \$40 before taking any such examination].~~

30 (iii) ~~[(C)]~~ The nonrefundable examination fees shall be paid each time an
31 individual takes an ~~[are nonrefundable and, if an applicant fails an examination, the applicant shall pay~~
32 ~~the full examination fee for each subsequent]~~ examination.

1 (iv) [(D)] A military service member, military veteran, or military spouse
2 shall be exempt from the examination fee pursuant to the requirements in §13.76 of this title (relating to
3 Military Fee Exemption). An individual who receives a military fee exemption is not exempt from
4 renewal fees specified in subsection (h) [(d)] of this section.

5 (C) Time limits.

6 (i) An applicant shall complete the examination within two hours.

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

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

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

12 (D) [(2)] Each individual who performs CNG activities as an employee of an
13 ultimate consumer or a state agency, county, municipality, school district, or other governmental
14 subdivision shall be properly supervised by his or her employer. Any such individual who is not certified
15 by AFS [~~AFRED~~] to perform such CNG activities shall be properly trained by a competent person in the
16 safe performance of such CNG activities.

17 ~~[(3) Each person wishing to submit to examination shall file a CNG Form 1016 with~~
18 ~~AFRED.]~~

19 ~~[(4) An individual who has filed CNG Form 1016 and the applicable nonrefundable~~
20 ~~examination fee may take the rules examination at the Commission's AFRED Training Center, 6506~~
21 ~~Bolm Road, Austin, Texas, between the hours of 8:00 a.m. and 12:00 noon, Monday through Friday,~~
22 ~~except for state holidays, and at other designated times and locations around the state. Tuesdays and~~
23 ~~Thursdays are the preferred days for examinations at the AFRED Training Center. Dates and locations of~~
24 ~~available Commission CNG examinations may be obtained in the Austin offices of AFRED and on the~~
25 ~~Commission's web site, and shall be updated at least monthly. Examinations shall be conducted in Austin~~
26 ~~and in other locations around the state. Individuals or companies may request in writing that examinations~~
27 ~~be given in their area. AFRED shall schedule its examinations and locations at its discretion.]~~

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

29 (1) Employee-level examinations:

30 (A) The Service and Installation Technician examination qualifies an individual
31 to perform all CNG activities related to stationary CNG systems, including CNG containers, piping, and
32 equipment. The Service and Installation examination does not authorize an individual to fill containers or

1 operate a CNG transport.

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

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

8 (2) Management-level examinations:

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

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

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

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

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

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

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

24 (d) [(5)] Within 15 calendar days of the date an individual takes an examination, AFS [AFRED]
25 shall notify the individual of the results of the examination.

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

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

1 ~~[(B) Successful completion of any required examination shall be credited to and~~
2 ~~accrue to the individual.]~~

3 (e) [(C) Failure of any [Any individual who fails an] examination shall [be] immediately
4 disqualify the individual [disqualified] from performing any CNG related activities covered by the
5 examination which is failed, except for activities covered by a separate examination which the individual
6 has passed.

7 (1) Any individual who fails an examination administered by the Commission [AFRED]
8 at the Austin location ~~[only]~~ may retake the same examination ~~[only]~~ one additional time during a
9 business day.

10 (2) Any subsequent examinations shall be taken on another business day, unless approved
11 by the AFS [AFRED] director.

12 (3) An [If requested by an] individual who fails an examination may request [failed the
13 examination, AFRED shall furnish the individual with] an analysis of the individual's performance on the
14 examination.

15 ~~[(6) Time limits.]~~

16 ~~[(A) Effective June 1, 2008, an applicant shall complete the examination within~~
17 ~~two hours.]~~

18 ~~[(B) The examination proctor shall be the official timekeeper.]~~

19 ~~[(C) An examinee shall submit the examination and the answer sheet to the~~
20 ~~examination proctor before or at the end of the established time limit for an examination.]~~

21 ~~[(D) The examination proctor shall mark any answer sheet that was not~~
22 ~~completed within the time limit.]~~

23 (f) Trainees.

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

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

31 (B) A trainee who has been in training for a total period of 45 calendar days, in
32 any combination and with any number of employers, shall cease to perform any CNG activities for which

1 the trainee is not certified until the trainee successfully completes the rules examination.

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

4 (g) [(b)] General installers and repairmen exemption.

5 (1) Any individual who is currently licensed as a master or journeyman plumber by the
6 Texas State Board of Plumbing Examiners or who is currently licensed with a Class A or B Air
7 Conditioning and Refrigeration Contractors License [~~air conditioning and refrigeration contractors~~
8 ~~license~~] issued by the Texas Department of Licensing and Regulation may register with AFS [~~apply for~~]
9 and be granted an exemption to the [~~Category 2 and 3~~] service and installation technician employee-level
10 [~~employee~~] examination requirements provided the applicant [~~by submitting to AFRED the following~~
11 ~~information~~]:

12 (A) holds an active license in compliance with Texas Occupations Code,
13 §1302.260, relating to Issuance and Term of License, and §1301.351, relating to License, Endorsement,
14 or Registration Required;

15 (B) [(A)] submits a completed CNG Form 1016B;

16 (C) [(B)] submits the required [a] \$30 original filing fee, except as described in
17 paragraph (8) [(7)] of this subsection; [and]

18 [(C) any information AFRED may reasonably require]

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

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

23 (2) This exemption does not become effective until the examination exemption card is
24 issued by AFS [~~AFRED~~].

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

29 (4) Any individual granted such exemption shall maintain registered [~~certified~~] status at
30 all times. Upon failure to maintain registered [~~certified~~] status, the individual shall immediately cease all
31 affected CNG activities [~~all affected CNG operations shall cease immediately~~] until proper status has
32 been regained.

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

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

13 (7) ~~[(6)]~~ Any individual who is issued an [this] exemption under this subsection agrees to
14 comply with the current edition of the rules in this chapter [regulations for compressed natural gas]. In the
15 event the exempt individual surrenders, fails to renew, or has the license revoked either by the Texas State
16 Board of Plumbing Examiners or Texas Department of Licensing and Regulation, that individual shall
17 immediately cease performing any CNG activity granted by this section. ~~[The examination exemption~~
18 ~~card shall be returned immediately to AFRED and all rights and privileges surrendered.]~~

19 (8) ~~[(7)]~~ A military service member, military veteran, or military spouse shall be exempt
20 from the original registration fee pursuant to the requirements in §13.76 of this title. An individual who
21 receives a military fee exemption is not exempt from renewal fees specified in subsection (h) [(d)] of this
22 section.

23 ~~[(e) Trainees.]~~

24 ~~[(1) A licensee or ultimate consumer may employ an individual as a trainee for a period~~
25 ~~not to exceed 45 calendar days without that individual having successfully completed the rules~~
26 ~~examination subject to the following conditions.]~~

27 ~~[(A) The trainee shall be directly and individually supervised at all times by an~~
28 ~~individual who has successfully completed the rules examination for the areas of work being performed~~
29 ~~by the trainee.]~~

30 ~~[(B) The licensee or ultimate consumer shall ensure that CNG Form 1016 is on~~
31 ~~file with AFRED for each trainee at the time that trainee begins supervised CNG activities. The trainee~~
32 ~~shall then have 45 calendar days to pass the applicable rules examination.]~~

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

3 ~~[(3) A trainee who has been in training for a total of 45 calendar days, in any combination~~
4 ~~and with any number of employers, shall cease to perform any CNG activities for which he or she is not~~
5 ~~certified.]~~

6 (h) ~~[(d)]~~ Requirements for certificate holder renewal ~~[Renewal of certified status].~~

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

9 (2) ~~[(4)]~~ AFS ~~[AFRED]~~ shall notify licensees of any of their employees' pending renewal
10 deadlines and ~~[renewals, or]~~ shall notify the individual if not employed by a licensee, in writing, at the
11 address on file with AFS ~~[AFRED]~~ no later than March 15 of a year for the May 31 renewal date of that
12 year.

13 (3) ~~[(2)]~~ Certificate holders ~~[In order to maintain active status, a certificate holder]~~ shall
14 pay the nonrefundable \$25 annual certificate renewal fee to AFS ~~[AFRED]~~ on or before May 31 of each
15 year. Individuals who hold more than one certificate shall pay only one annual renewal fee.

16 (A) ~~[(3)]~~ Failure to pay the nonrefundable annual renewal fee by the deadline
17 shall result in a lapsed certificate ~~[lapse of certification unless the late filing fee in paragraph (4) of this~~
18 ~~subsection is paid].~~

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

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

24 (iii) If an individual's certificate ~~[certification]~~ has been expired for more
25 than two years from May 31 of the year in which the certificate lapsed ~~[one year or longer]~~, that
26 individual shall comply with the requirements of subsection (a) of this section. ~~[If an individual's~~
27 ~~certification lapses or expires, that individual shall immediately cease performance of any CNG activities~~
28 ~~that require certification. Certified status shall be regained only by successfully completing the~~
29 ~~examination requirement for certification and meeting the requirements of paragraph (4) of this~~
30 ~~subsection.]~~

31 (B) ~~[(4)]~~ [Any lapsed renewals submitted after May 31st of each year shall
32 include a \$20 late filing fee in addition to the renewal fee, proof of successful completion of the

1 ~~examination required for certification, and be received in AFRED's Austin office no later than close of~~
2 ~~business on August 31 or, if August 31 falls on a weekend or state holiday, close of business on the last~~
3 ~~business day before August 31 of each year.] Upon receipt of the annual renewal fee and late filing fee~~
4 ~~[penalty], AFS [AFRED] shall verify that all applicable requirements have been met [the individual's~~
5 ~~certification has not been suspended, revoked, or expired for one year or longer]. After verification, AFS~~
6 ~~[AFRED] shall renew the certificate [~~certification~~] and send a copy of the certificate, and the individual~~
7 ~~may continue or resume CNG activities authorized by that certificate.~~

8 ~~[(e) Expired certification(s). Any renewal submitted after the August 31 deadline shall be~~
9 ~~considered expired. If an individual wishes to renew a certification that has been expired for less than one~~
10 ~~year, that individual shall submit the annual renewal fee and late filing fee, and proof of successful~~
11 ~~completion of the examination required for certification. Upon verification that the individual's~~
12 ~~certification has not been suspended, revoked, or expired for one year or longer, AFRED shall renew the~~
13 ~~individual's certification and the individual may resume CNG activities.]~~

14
15 §13.71. Hearings for Denial, Suspension, or Revocation of Licenses, Manufacturer Registrations, or
16 Certificates [~~or Certifications~~].

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

19 (1) If AFS [~~LP Gas Operations~~] determines that an applicant for license, manufacturer
20 registration, certificate, or [~~license~~] renewal has not met the requirements of this chapter, AFS [~~LP Gas~~
21 ~~Operations~~] shall notify the applicant in writing of the reasons for the proposed denial. In the case of an
22 applicant for license, manufacturer registration, or certificate, the notice shall advise the applicant that the
23 application may be resubmitted within 30 calendar days of receipt of the denial with all cited deficiencies
24 corrected, or, if the applicant disagrees with AFS' [~~LP Gas Operations~~] determination, the applicant may
25 request a hearing in writing on the matter within 30 calendar days of receipt of the notice of denial.

26 (2) If the applicant resubmits the application [~~for license or license renewal~~] within 30
27 days of receipt of the denial with all deficiencies corrected, AFS [~~LP Gas Operations~~] shall issue the
28 license, manufacturer registration, certificate, or [~~license~~] renewal as applicable.

29 (b) Hearing regarding denial of license, manufacturer registration, certificate, or associated
30 renewals [~~license renewal~~].

31 (1) An applicant receiving a notice of denial [~~of a license or license renewal~~] may request
32 a hearing to determine whether the applicant did comply in all respects with the requirements for the

1 ~~[category or categories of]~~ license, registration, or certificate sought. The request for hearing must be in
2 writing, must refer to the specific requirements the applicant claims were met, and must be received in the
3 Commission's Austin office within 30 days of the applicant's receipt of the notification of denial.

4 (2) Upon receipt of a request complying with paragraph (1) of this subsection, AFS [LP-
5 Gas Operations] shall forward the request for a hearing to the Hearings Division [Office of General
6 Counsel] for the purpose of scheduling a hearing within 30 calendar days following the receipt of the
7 request for hearing to determine the applicant's compliance or noncompliance with applicable
8 requirements [the licensing requirements for the category or categories of license sought].

9 (3) If, after hearing, the Commission finds the applicant's claim has been supported, the
10 Commission may ~~[enter an order]~~ issue an order approving the license, manufacturer registration, or
11 certificate and AFS shall issue the license, manufacturer registration, certificate, or associated renewal if
12 applicable [in its records to that effect, noting the category or categories of license for which the applicant
13 is entitled to be licensed, and the license(s) or renewal(s) shall be issued].

14 (4) If, after hearing, the Commission finds that the applicant does not comply with the
15 requirements of this chapter, the Commission may issue an order denying the application or renewal [is
16 not qualified for the license or license renewal in the category or categories of license sought, the
17 Commission may enter an order in its records to that effect, and no license or renewal may be issued to
18 the applicant].

19 (c) Suspension and revocation of licenses, manufacturer registrations, or certificates ~~and~~
20 certifications].

21 (1) If AFS [LP-Gas Operations] finds by means including, but not limited to, inspection,
22 review of required documents submitted, or complaint by a member of the general public or any other
23 person, a probable or actual violation of or noncompliance with the Texas Natural Resources Code,
24 Chapter 116, or this chapter, AFS [LP-Gas Operations] shall notify the licensee, registered manufacturer,
25 or certificate holder [certified person] of the alleged violation or noncompliance in writing.

26 (2) The notice shall specify the acts, omissions, or conduct constituting the alleged
27 violation or noncompliance and shall designate a date not less than 30 calendar days or more than 45
28 calendar days after the licensee, registered manufacturer, or certificate holder [certified person] receives
29 the notice by which the violation or noncompliance must be corrected or discontinued. If AFS [LP-Gas
30 Operations] determines the violation or noncompliance may pose imminent peril to the health, safety, or
31 welfare of the general public, AFS [LP-Gas Operations] may notify the licensee, registered manufacturer,
32 or certificate holder [certified person] orally with instruction to immediately cease the violation or

1 noncompliance. When oral notice is given, AFS [LP-Gas Operations] shall follow it with written
2 notification no later than five business days after the oral notification.

3 (3) The licensee, registered manufacturer, or certificate holder [~~certified person~~] shall
4 either report the correction or discontinuance of the violation or noncompliance within the time frame
5 specified in the notice or request an extension of time in which to comply. The request for extension of
6 the time to comply must be received by AFS [LP-Gas Operations] within the same time frame specified
7 in the notice for correction or discontinuance.

8 (d) Hearing regarding suspension or revocation of licenses, manufacturer registrations, and
9 certificates [~~certifications~~].

10 (1) If a licensee, registered manufacturer, or certificate holder [~~certified individual~~]
11 disagrees with the determination of AFS [LP-Gas Operations] under this section, that licensee or certified
12 individual may request a public hearing on the matter to be conducted as specified in Chapter 1 of this
13 title (relating to Practice and Procedure) [~~in compliance with the Texas Government Code, Chapter 2001,~~
14 ~~Chapter 1 of this title (relating to Practice and Procedure), and any other applicable rules~~]. The request
15 shall be in writing, shall refer to the specific rules or statutes the person [~~licensee or certified individual~~]
16 claims were met, and shall be received by AFS [LP-Gas Operations] within 30 calendar days of the
17 person's [~~licensee's or certified individual's~~] receipt of the notice of violation or noncompliance.

18 (2) AFS shall forward the request for hearing to the Hearings Division. [~~If, after hearing,~~
19 ~~the Commission finds that the licensee or certified individual may not comply within the specified time,~~
20 ~~the Railroad Commission of Texas may enter an order calling a public hearing to be conducted in~~
21 ~~compliance with the Texas Government Code, Chapter 2001, the general rules of practice and procedure~~
22 ~~of the Railroad Commission of Texas in Chapter 1 of this title, and any other applicable rules~~].

23
24 §13.72. Designation and Responsibilities of Company Representatives and [of] Operations Supervisors
25 [~~(Branch Manager)~~].

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

28 (1) A licensee maintaining one or more outlets shall file CNG Form 1001 with AFS
29 listing the physical location of the first outlet and designating the company representative for the license
30 and file CNG Form 1001A designating the physical location and operations supervisor for each additional
31 outlet.

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

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

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

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

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

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

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

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

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

22 (b) A company representative shall:

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

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

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

29 (4) pass the appropriate management-level rules examination;

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

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

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

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

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

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

6 ~~[(a) The commission shall designate whether a site is an outlet for the purpose of this chapter.~~
7 ~~Criteria used by the commission in determining the designation of an outlet includes, but is not limited~~
8 ~~to:]~~

9 ~~[(1) distance from other CNG activities operated by the licensee;]~~

10 ~~[(2) whether the operation is a duplicate of the home office operation; and]~~

11 ~~[(3) whether the operation is directly supervised on a routine basis.]~~

12 ~~[(b) A licensee maintaining more than one outlet shall file CNG Form 1001A with LP Gas~~
13 ~~Operations designating an operations supervisor (branch manager) at each outlet. The operations~~
14 ~~supervisor shall pass the management examination as administered by AFRED before commencing or~~
15 ~~continuing the licensee's operations at the outlet.]~~

16 ~~[(c) An operations supervisor (branch manager) may be a company representative of the licensee;~~
17 ~~however, unless specific approval is granted by LP Gas Operations, an individual may be designated as~~
18 ~~an operations supervisor (branch manager) at each outlet.]~~

19 ~~[(d) The operations supervisor (branch manager) shall be directly responsible for actively~~
20 ~~supervising CNG operations of the licensee at the designated outlet.]~~

21
22 §13.73. Employee Transfers.

23 (a) A licensee or ~~[,an]~~ ultimate consumer~~[,or a state agency, county, municipality, school~~
24 ~~district, or other governmental subdivision]~~ shall notify AFS ~~[AFRED]~~ when a certificate holder or
25 individual with an examination exemption ~~[previously certified person]~~ is hired~~[,]~~ by filing CNG Form
26 1016A and a nonrefundable \$10 ~~[along with a \$10 filing]~~ fee with AFS, or in lieu of CNG Form 1016A,
27 submit the \$10 fee and a written notice including:~~[,]~~

28 (1) ~~[Notification must include]~~ the employee's name as recorded with the Commission;
29 and ~~[on a current driver's license or Texas Department of Public Safety identification card,]~~

30 (2) the last four digits of the employee's ~~[employee]~~ social security number~~[, name of~~
31 ~~previous and new licensee employer, and types of CNG work to be performed by the newly hired~~
32 ~~certified employee. A state agency, county, municipality, school district, or other governmental~~

1 ~~subdivision is exempt from this subsection if such entity chooses not to certify its employees who~~
2 ~~perform CNG activities].~~

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

6
7 §13.75. Franchise Tax Certification and Assumed Name Certificate.

8 (a) An applicant for an original or renewal license or registered manufacturer that is a
9 corporation, limited partnership, or limited liability company shall be approved to transact business in
10 Texas by [in good standing with] the Texas Comptroller of Public Accounts. The licensee or registered
11 manufacturer [An original license applicant] shall provide a copy of the current Certificate of Account
12 Status [Franchise Tax Statement] from the Texas Comptroller of Public Accounts. [showing "In Good
13 Standing-"]

14 (b) All applicants [Any applicant] for license or manufacturer registrations, or their
15 corresponding renewals shall [must] list [all names] on CNG Form 1001 or CNG Form 1001M all names
16 under which CNG related activities requiring licensing or registration as a container manufacturer are to
17 be conducted. Any company performing CNG activities under an assumed name ("DBA" or "doing
18 business as" [dba]) shall [must] file with AFS [LP Gas Operations] copies of the assumed name
19 certificates which are required to be filed with the respective county clerk's office and/or the Office of the
20 Secretary of State.

21
22 §13.76. Military Fee. **NO CHANGES**

23
24 §13.80. Requests for CNG Classes.

25 Requests for Commission staff to conduct a CNG training class for CNG activities under the
26 Commission's jurisdiction shall be submitted to the AFS [AFRED] training section. The AFS [AFRED]
27 training section may conduct the requested class at its discretion. The nonrefundable fee for a CNG
28 training class is \$250 if no overnight expenses are incurred by the AFS [AFRED] training section, or
29 \$500 if overnight expenses are incurred. AFS [AFRED] may waive the class fee in cases where the
30 Commission recovers the cost of the class from another source, such as a grant.

31
32 SUBCHAPTER D. CNG COMPRESSION, STORAGE, AND DISPENSING SYSTEMS.

1 §13.91. Applicability. **NO CHANGES**

3 §13.92. System Component Qualification. **REPEAL**

5 §13.93. System Protection Requirements [~~General~~].

6 (a) In addition to NFPA 52 §7.3.2, and NFPA 55 §§4.11 and 7.1.9, equipment [~~Equipment~~]
7 related to a compression, storage, or dispensing installation[~~, excluding automatic dispensers and~~
8 ~~residential fueling facilities~~], shall be protected from tampering and damage [~~and the protection shall be~~
9 ~~maintained in good condition at all times and~~] in accordance with subsections (b) and (c) of this section
10 [~~one of the three standards set forth in paragraphs (1)–(3) of this subsection. Automatic dispensers for~~
11 ~~general public use shall be protected against collision damage in accordance with subsection (d) of this~~
12 ~~section~~]. These protections shall be maintained in good condition at all times.

13 (b) [(+)] Fencing at CNG stationary installations shall comply with the following.

14 (1) [(A)] Fencing material shall be chain link type with wire at least [~~no smaller than~~]
15 12-1/2 American wire gauge in size.

16 (2) [(B)] Fencing shall be at least [~~no less than~~] six feet in height at all points. Fencing
17 may be five feet in height when topped with at least three strands of barbed wire, with the strands [~~no~~
18 ~~more than~~] four inches apart.

19 (3) [(C)] Uprights [~~All uprights~~], braces, and [~~and/or~~] cornerposts of the fence shall be
20 composed of noncombustible material [~~if located within distances for sources of ignition or combustible~~
21 ~~materials required in Table 1 of §13.94 of this title (relating to Location of Installations) of the enclosed~~
22 ~~CNG transfer system(s) or CNG cylinder(s)~~].

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

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

27 (6) [(E)] A minimum clearance of two feet shall be maintained between the fencing and
28 the compression equipment, cylinder cascade(s), or container(s), and the entire dispensing system(s).

29 (7) [(F)] Fencing which is located more than 25 feet from any point of a CNG
30 dispensing system(s), container(s), or compression equipment is designated as perimeter fencing. If a
31 CNG dispensing system(s), cylinder cascade(s), or compression equipment is located inside perimeter
32 fencing and is subject to vehicular traffic, it shall be protected against damage according to the

1 specifications set forth in subsection (c) of this section [~~paragraph (2) of this subsection~~].

2 (8) [(G)] The storage and compression area [~~cylinder cascade containers, compression~~
3 ~~equipment, and the entire dispensing system~~] must be completely enclosed by fencing.

4 (9) Where fencing is not used to protect the installation, then valve locks, a means of
5 locking the electric control for the compressors, or other suitable means shall be provided to prevent
6 unauthorized withdrawal of CNG.

7 (c) [(2)] Guardrails at CNG stationary installations shall comply with the following: [-]

8 [~~(A) Where fencing is not used to protect the installation as provided in paragraph (1) of~~
9 ~~this subsection, then valve locks, a means of locking the electric control for the compressor(s), or other~~
10 ~~suitable means shall be provided to prevent unauthorized withdrawal of CNG.~~]

11 (1) [(B)] Vertical supports for guardrails shall be at least [~~a minimum of~~] three-inch
12 Schedule 40 steel pipe, or other material with equal or greater strength. The vertical supports shall [~~must~~]
13 be capped on the top or otherwise protected to prevent the entrance of water or debris into the guardpost,
14 [and] anchored in concrete at least 18 inches below the ground, and rise at least [~~a minimum of 18 inches~~
15 ~~in concrete, with a minimum height of~~] 30 inches above the ground. Supports shall be spaced [~~no more~~
16 ~~than~~] four feet apart or less.

17 (2) [(C)] The top of the horizontal guardrailing shall be secured to the vertical supports at
18 least [~~a minimum of~~] 30 inches above the ground. The horizontal guardrailing shall be at least [~~no less~~
19 ~~than~~] three-inch Schedule 40 steel pipe, or other material with equal or greater strength. The horizontal
20 guardrailing shall be capped on the ends or otherwise protected to prevent the entrance of water or debris
21 into the guardpost, and welded or bolted to the vertical supports with bolts of sufficient size and strength
22 to prevent damage to the protected equipment under normal conditions, including the nature of the traffic
23 to which the protected equipment is subjected [~~displacement of the horizontal guardrailing~~].

24 (3) [(D)] Openings [~~No opening~~] in [~~the~~] horizontal guardrailing shall not [~~may~~] exceed
25 36 inches. Only one opening is allowed on each side of the guardrailing. A means of temporarily
26 removing the horizontal guardrailing and/or vertical supports to facilitate the handling of heavy
27 [~~compression~~] equipment may be incorporated into the horizontal guardrailing and vertical supports. In no
28 case shall the protection provided by the horizontal guardrailing and vertical supports be decreased.

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

31 (5) [(F)] The operating end of the container(s) and any part of the CNG compression
32 equipment, piping, or cylinder cascade(s) which is exposed to collision damage or vehicular traffic shall

1 ~~[must]~~ be protected from this type of damage ~~[by the vehicular traffic]~~. ~~[The protection shall extend at~~
2 ~~least 24 inches beyond any part of the CNG compression equipment, cylinder cascade(s), container(s), or~~
3 ~~dispensing equipment which is exposed to or vehicular traffic.]~~

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

6 (d) [(3)] Dispenser protection ~~[Protection]~~. Each ~~[automatic]~~ dispenser shall be secured to a
7 concrete island a minimum of six inches above the normal grade and two inches above the grade of any
8 other fuel dispenser(s). Each ~~[automatic]~~ dispenser shall be protected against collision damage. Support
9 columns or other such protection installed at the approach end(s) of the concrete island shall prevent
10 collision with the ~~[automatic]~~ dispenser. If such protection cannot be provided, then the requirements of
11 subsection (c) of this section ~~[paragraph (2) of this subsection]~~ shall apply.

12 ~~[(4) Fencing and guardrails. A combination of the protection standards authorized by~~
13 ~~paragraphs (1) and (2) of this subsection shall not result in less protection than either standard.]~~

14 (e) [(5)] The provisions of this section notwithstanding, AFS ~~[LP Gas Operations]~~ may require
15 an installation to be protected in accordance with ~~[subsection (a) of]~~ this section when evidence exists that
16 because of exceptional circumstances, added safeguards are needed to adequately protect the health,
17 safety, and welfare of the general public. If a person owning or operating such an installation disagrees
18 with the determination of AFS ~~[LP Gas Operations]~~ made under this subsection, then that person may
19 request a public hearing on the matter. However, until a determination is issued subsequent to a hearing
20 on the matter, the subject automatic dispenser(s) shall be either protected in the manner described by AFS
21 ~~[LP Gas Operations]~~ or removed from CNG service and/or all of the product withdrawn from it.

22 (f) At least two monitoring sensors shall be installed at all stationary installations where methane
23 can be trapped to detect hazardous levels of methane. Sensors shall activate prior to the methane level
24 exceeding 25% of the lower flammability limit (LFL). If the level exceeds 25% of the LFL, the sensor
25 shall either shut the system down or activate an audible and visual alarm. The number of sensors to be
26 installed shall comply with the area of coverage for each sensor and the size of the installation. The
27 sensors shall be installed and maintained in accordance with the manufacturer's instructions.

28 ~~[(b) Control devices shall be designed and installed so that internal or external icing or hydrate~~
29 ~~formation will not cause a malfunction.]~~

30 ~~[(c) Authorized automatic dispenser(s) shall comply with §13.25(k) of this title (relating to~~
31 ~~Filings Required for Stationary CNG Installations). Existing dispensers may be modified, provided the~~
32 ~~modifications include only those components listed as approved by a laboratory as discussed in §13.25(k)~~

1 ~~of this title, and are installed in a workmanlike manner in accordance with industry standards.]~~

2 ~~[(d) The authorized automatic dispenser shall have the following features:]~~

3 ~~[(1) A key, card, or code system shall be used.]~~

4 ~~[(2) All appurtenances, metering equipment, and other related equipment installed on an~~
5 ~~automatic dispenser shall meet all applicable requirements of the rules in this chapter.]~~

6 ~~[(3) All dispensing equipment shall be fabricated of material suitable for CNG, and~~
7 ~~resistant to the action of CNG under service conditions. Pressure containing parts shall be of steel, ductile~~
8 ~~iron, forged steel, brass, or an equivalent material. Aluminum may be used for approved meters. All~~
9 ~~piping shall be Schedule 80, and all pipe fittings shall be forged steel stamped 6,000 psi or greater.]~~

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

12 ~~[(5) A device shall be installed in the CNG piping in such a manner that displacement of~~
13 ~~the dispenser will result in the displacement of such piping on the downstream side of the device.]~~

14 ~~[(6) The transfer hose on an automatic dispenser shall incorporate a pull-away device.~~
15 ~~The pull-away device shall be installed so as to separate by a force not greater than 45 pounds when~~
16 ~~applied in any horizontal direction. The device shall stop the flow of CNG in the event of a separation.]~~

17 ~~[(7) All electric installations within the automatic dispenser enclosure and the entire pit or~~
18 ~~open space beneath the dispenser shall comply with the National Electric Code, Class 1, Group D,~~
19 ~~Division 2, except for dispenser components located at least 48 inches above the dispenser base which are~~
20 ~~intrinsically safe according to the National Electric Code.]~~

21 ~~[(8) The fueling connector shall be compatible with the fueling connection of the vehicle~~
22 ~~as specified in §13.34 of this title (relating to Vehicle Fueling Connection). The fueling connector shall~~
23 ~~have the following safety features:]~~

24 ~~[(A) remote vapor discharge;]~~

25 ~~[(B) a manual shut-off valve.]~~

26 ~~(g) [(e)] In addition to NFPA 52 §§7.4.3.11, 7.11.5.2, and 7.14.12 and NFPA 55 §§4.10 and~~
27 ~~7.1.8.3, all [All] CNG storage installations, and installations protected by guardrails only, must comply~~
28 ~~with the sign and/or lettering requirements of Table 1 of this section.~~

29 **Figure: 16 TAC §13.93(e)**

30
31 §13.94. Location of Installations. **REPEAL**

32 §13.95. Installation of Cylinders and Cylinder Appurtenances. **REPEAL**

1 §13.96. Installation of Pressure Relief Devices. **REPEAL**

2 §13.97. Installation of Pressure Regulators. **REPEAL**

3 §13.98. Installation of Pressure Gauges. **REPEAL**

4 §13.99. Installation of Piping and Hoses. **REPEAL**

5 §13.100. Testing. **REPEAL**

6 §13.101. Installation of Emergency Shutdown Equipment. **REPEAL**

7 §13.102. Installation of Electrical Equipment. **REPEAL**

8 §13.103. Stray or Impressed Currents and Bonding. **REPEAL**

9 §13.104. Operation. **REPEAL**

10 §13.105. Fire Protection. **REPEAL**

11

12 §13.106. Maintenance.

13 ~~[(a) Cylinders and their appurtenances, piping systems, compression equipment, controls, vehicle~~
14 ~~fueling hose(s), and devices shall be maintained in proper operating condition at all times.]~~

15 (a) [(b)] While in transit, fueling hose and flexible metal hose on a cargo vehicle to be used in a
16 transfer operation, including their connections, shall be depressurized and protected from wear and injury.

17 (b) [(e)] Pressure relief devices ~~[valves]~~ shall be maintained in proper operating condition.

18 (c) [(d)] As a precaution to keep pressure relief devices in reliable operating condition, care shall
19 be taken in the handling or storing of CNG ~~[compressed natural gas (CNG)]~~ cylinders to avoid damage.
20 Care shall also be exercised to avoid plugging by paint or other dirt accumulation of pressure relief device
21 channels or other parts which could interfere with the functioning of the device.

22

23 §13.107. Dispenser Installation ~~[Accuracy]~~.

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

28 (b) The dispenser shall have the following features.

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

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

32 (3) All dispensing equipment shall be fabricated of material suitable for CNG, and

1 resistant to the action of CNG under service conditions.

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

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

7 (A) remote vapor discharge; and

8 (B) a manual shut-off valve.

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

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

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

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

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

23 (e) Each retail CNG [~~compressed natural gas (CNG)~~] dispenser shall comply with the applicable
24 weights and measures requirements of the Texas Department of Agriculture, relating to dispensing
25 accuracy.

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

28
29 SUBCHAPTER E. ENGINE FUEL SYSTEMS.

30 §13.131. Applicability. **NO CHANGES**

31
32 §13.132. System Component Qualification. **REPEAL**

1
2 §13.133. Installation of Fuel Supply Containers [~~Cylinders~~].

3 ~~[(a) Fuel supply cylinders on vehicles other than school buses, mass transit, or other vehicles used~~
4 ~~in public transportation may be located within, below, or above the driver or passenger compartment,~~
5 ~~provided all connections to the cylinders are external to, or sealed and vented from those compartments.]~~

6 (a) ~~[(b)]~~ In addition to NFPA 52 §§6.3.2 and 6.3.3, fuel [~~Fuel~~] supply containers [~~cylinders~~] on
7 school buses, mass transit, and other public transportation vehicles shall not be located [~~above or~~] within
8 the driver or passenger compartment. The motor fuel containers installed on a special transit vehicle may
9 be installed in the passenger compartment, provided all connections to the containers are external to, or
10 sealed and vented from, those compartments [~~it complies with subsection (a) of this section~~].

11 ~~[(c) Each fuel supply cylinder shall be mounted in a location to minimize damage from collision.~~
12 ~~No part of a cylinder or its appurtenances shall protrude beyond the sides or top of the vehicle at the point~~
13 ~~where it is installed.]~~

14 ~~[(d) The fuel system shall be installed with as much road clearance as practical, but not less than~~
15 ~~the minimum road clearance of the vehicle when loaded to its gross vehicle weight rating. This minimum~~
16 ~~clearance shall be measured from the lowest part of the fuel system.]~~

17 ~~[(e) No portion of a fuel supply cylinder or cylinder appurtenance shall be located ahead of the~~
18 ~~front axle or behind the rear bumper mounting face of a vehicle. Cylinder valves shall be protected from~~
19 ~~physical damage using the vehicle structure, valve protectors, or a suitable metal shield.]~~

20 ~~[(f) Each cylinder bracket shall be secured to the vehicle body, bed, or frame with bolts, lock~~
21 ~~washers and nuts, or self locking nuts of a size and strength capable of withstanding a static force in any~~
22 ~~direction of eight times the weight of a fully pressurized cylinder. The cylinder bracket shall be designed~~
23 ~~and manufactured by a cylinder manufacturer. Each specific mounting bracket manufactured on or after~~
24 ~~January 1, 1994, must have the manufacturer's name or logo on it in order to properly identify the bracket~~
25 ~~manufacturer. If self locking nuts are installed, such nuts shall not be reused once they are removed. The~~
26 ~~container mounting brackets shall prevent the container from jarring loose, slipping, or rotating.]~~

27 ~~[(g) Each fuel supply cylinder shall be secured in the mounting brackets by bolts, lock washers~~
28 ~~and nuts, or self locking nuts of a size and strength capable of withstanding a static force applied in any~~
29 ~~direction eight times the weight of the fully pressurized cylinder. If self locking nuts are installed, such~~
30 ~~nuts shall not be reused once they are removed.]~~

31 ~~[(h) The cylinder weight shall not be supported by the outlet, service valves, manifolds, or other~~
32 ~~fuel connections.]~~

1 ~~[(i) Fuel supply cylinders located less than eight inches from the exhaust system shall be shielded~~
2 ~~against direct heat.]~~

3 ~~[(j) The mounting system shall minimize fretting corrosion between the cylinder and the~~
4 ~~mounting system by means of rubber insulators or other suitable means.]~~

5 ~~[(k) Fuel supply cylinders shall not be installed so as to adversely affect the driving~~
6 ~~characteristics of the vehicle.]~~

7 ~~[(l) Containers shall be secured to a school bus, mass transit, or special transit vehicle frame (not~~
8 ~~the floor) by container fastenings or mounting brackets described in subsection (f) of this section. The~~
9 ~~fastenings or brackets must be secured to the frame or securely mounted to a supporting structure so as~~
10 ~~not to compromise the strength of that structure (i.e., backing plates or other acceptable means may be~~
11 ~~used to accomplish this purpose). Container(s) which are currently installed on school buses or mass~~
12 ~~transit vehicles by means of strap mounting brackets may continue to be used.]~~

13 ~~[(m) The motor fuel container(s) installed on a school bus or mass transit vehicle shall be~~
14 ~~installed on the underside of the vehicle.]~~

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

18
19 §13.134. Installation of Venting Systems. **REPEAL**

20 §13.135. Installation of Piping. **REPEAL**

21 §13.136. Installation of Valves. **REPEAL**

22 §13.137. Installation of Pressure Gauges. **REPEAL**

23 §13.138. Installation of Pressure Regulators. **REPEAL**

24 §13.139. Installation of Fueling Connection. **REPEAL**

25 §13.140. Labeling. **REPEAL**

26 §13.141. System Testing. **REPEAL**

27
28 §13.142. Maintenance and Repair.

29 ~~[(a) Damaged supply lines shall be replaced, not repaired.]~~

30 ~~[(b) The owner or user, or both, shall maintain all cylinders, cylinder appurtenances, piping~~
31 ~~systems, venting systems, and other components in a safe condition.]~~

32 (a) ~~[(e)]~~ As a precaution to keep pressure relief devices in reliable operating condition, care shall

1 be taken in the handling or storing of CNG [~~compressed natural gas (CNG)~~] cylinders to avoid damage.
2 Care shall also be exercised to avoid plugging by paint or other dirt accumulation of pressure relief device
3 channels or other parts which could interfere with the functioning of the device.

4 (b) If any component is not in safe working order, AFS may require that the vehicle be
5 immediately removed from CNG service and not be operated until the necessary repairs have been made.

6 [~~(d) No repair or alteration will be permitted on pressure relief devices.~~]
7

8 §13.143. Venting of CNG to the Atmosphere.

9 In addition to NFPA 52 §6.14.1.1, all [All] venting of CNG shall be done outdoors [only under
10 conditions that will result in rapid dispersion of the product being released. Consideration shall be given
11 to such factors as distance to buildings, terrain, wind direction and velocity, and use of a vent pipe or
12 stack so that a flammable mixture will not reach a point of ignition. A vent pipe or stack shall have the
13 open end suitably protected to prevent entrance of rain, snow, and solid material. Provision shall be made
14 in vertical vent pipes and stacks for drainage. Prior to and during venting of the CNG cylinders, they shall
15 be properly grounded so as to eliminate any possible static electrical charges].
16

17 SUBCHAPTER F. RESIDENTIAL FUELING FACILITIES.

18
19 §13.181. Applicability. **NO CHANGES**

20
21 §13.182. Scope . **REPEAL**

22
23 §13.183. System Component Qualifications.

24 In addition to NFPA 52 §8.2.1, system [System] components shall comply with the appropriate
25 provisions in Subchapter B of this chapter (relating to General Rules for Compressed Natural Gas (CNG)
26 Equipment Qualifications).
27

28 §13.184. General. **REPEAL**

29 §13.185. Installation. **REPEAL**

30 §13.186. Outdoor Installations. **REPEAL**

31
32 §13.187. Installation of Pressure Relief Devices [~~Valves~~].

1 In addition to NFPA 52, §8.5, the ~~[Pressure relief valves shall be vented upwards to a safe area so~~
2 ~~as not to impinge on buildings, other equipment, or areas that could be occupied by the public (e.g.,~~
3 ~~sidewalks). The]~~ discharge vent line shall be able to withstand the pressure from the relief vapor
4 discharge when the relief device ~~[valve]~~ is in the full open position and shall permit sufficient pressure
5 relief relieving capacity. A spring loaded or counterbalanced rain cap shall be provided on the discharge
6 vent line. The rain cap shall permit the pressure relief device ~~[valve]~~ to operate at sufficient relieving
7 capacity.

8
9 §13.188. Installation of Pressure Gauges. **REPEAL**

10 §13.189. Pressure Regulation. **REPEAL**

11
12 §13.190. Piping and Hose.

13 ~~[(a) All piping and hose from the outlet of the compressor shall be supplied as part of the~~
14 ~~residential fueling facility.]~~

15 (a) ~~[(b)]~~ The use of hose in an installation is limited to:

16 (1) a vehicle refueling hose; the maximum length fueling hose is 12 feet and shall be
17 supported;

18 (2) an inlet connection to compression equipment not exceeding 36 inches. This
19 connector, if used, shall be supplied as part of the residential fueling appliance ~~[facility]~~;

20 (3) a section of metallic hose not exceeding 36 inches in length in a pipeline to provide
21 flexibility where necessary. Each section shall be so installed that it will be protected against mechanical
22 damage and be readily visible for inspection. The manufacturer's identification shall be retained in each
23 section;

24 (4) hose used for pressure relief device channels may exceed 36 inches.

25 (b) ~~[(c)]~~ The least possible number of connections shall be used in order to reduce the possibility
26 of leakage in the residential fueling appliance ~~[facility]~~.

27 ~~[(d) Bleed connections shall be provided in transfer systems to permit depressurizing the line~~
28 ~~before disconnection. These bleed connections shall be vented to a safe point of discharge.]~~

29
30 §13.191. Testing. **REPEAL**

31 §13.192. Installation of Emergency Shutdown Equipment. **REPEAL**

32 §13.193. Operation. **REPEAL**

1 §13.194. Maintenance and Inspection. **REPEAL**

2
3
4 SUBCHAPTER G. ADOPTION BY REFERENCE OF NFPA 52 (VEHICULAR GASEOUS FUEL
5 SYSTEMS CODE).

6 §13.201. Adoption by Reference of NFPA 52.

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

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

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

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

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

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

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

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

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

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

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

31 (10) NFPA 302, Fire Protection Standard for Pleasure and Commercial Motor Craft,
32 2010 edition;

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

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

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

5
6 §13.202. Clarification of Certain Terms Used in NFPA 52.

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

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

18
19 §13.203. Sections in NFPA 52 Adopted with Additional Requirements or Not Adopted.

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

22 Figure: 16 TAC §13.203

23
24 SUBCHAPTER H. ADOPTION BY REFERENCE OF NFPA 55 (COMPRESSED GASES AND
25 CRYOGENIC FLUIDS CODE).

26 §13.301. Adoption by Reference of NFPA 55.

27 (a) Effective February 15, 2021 except as modified in this subchapter, the Commission adopts
28 by specific reference the provisions established by the National Fire Protection Association in its 2013
29 edition of the Compressed Gases and Cryogenic Fluids Code, commonly referred to as NFPA 55 or
30 Pamphlet 55. Nothing in this section or subchapter shall prevent the Commission, after notice, from
31 adopting additional requirements, whether more or less stringent, for individual situations to protect the
32 health, safety, and welfare of the general public. Any documents or parts of documents incorporated by

1 reference into these rules shall be a part of these rules as if set out in full.

2 (b) Effective February 15, 2021, the Commission also adopts by reference all other NFPA
3 publications or portions of those publications referenced in NFPA 55 which apply to CNG activities only.

4 The pamphlets adopted by reference in NFPA 55 are:

5 (1) NFPA 1, Fires Code, 2012 edition;

6 (2) NFPA 2, Hydrogen Technologies Code, 2011 edition;

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

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

9 (5) NFPA 16, Standard for the Installation of Foam-Water Sprinkler and Foam-Water
10 Spray Systems, 2011 edition;

11 (6) NFPA 30, Flammable and Combustible Liquids Code, 2012 edition;

12 (7) NFPA 31, Standard for the Installation of Oil-Burning Equipment, 2011 edition;

13 (8) NFPA 45, Standard on Fire Protection for Laboratories Using Chemicals, 2011
14 edition;

15 (9) NFPA 51, Standard for the Design and Installation of Oxygen-Fuel Gas Systems for
16 Welding, Cutting, and Allied Processes, 2013 edition;

17 (10) NFPA 52, Vehicular Gaseous Fuel Systems Code, 2010 edition;

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

19 (12) NFPA 58, Liquefied Petroleum Gas Code, 2011 edition;

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

22 (14) NFPA 68, Standard on Explosion Protection by Deflagration Venting, 2007
23 edition;

24 (15) NFPA 69, Standard on Explosion Prevention Systems, 2008 edition;

25 (16) NFPA 70, National Electrical Code, 2011 edition;

26 (17) NFPA 72, National Fire Alarm and Signaling Code, 2013 edition;

27 (18) NFPA 79, Electrical Standard for Industrial Machinery, 2012 edition;

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

29 (20) NFPA 90A, Standard for the Installation of Air-Conditioning and Ventilating
30 Systems, 2012 edition;

31 (21) NFPA 99, Health Care Facilities Code, 2012 edition;

32 (22) NFPA 101, Life Safety Code, 2012 edition;

1 (23) NFPA 110, Standard for Emergency and Standby Power Systems, 2013 edition;

2 (24) NFPA 259, Standard Test Method for Potential Heat of Building Materials, 2008
3 edition;

4 (25) NFPA 496, Standard for Purged and Pressurized Enclosures for Electrical
5 Equipment, 2008 edition;

6 (26) NFPA 505, Fire Safety Standard for Powered Industrial Trucks Including Type
7 Designations, Areas of Use, Conversions, Maintenance, and Operations, 2011 edition;

8 (27) NFPA 704, Standard System for the Identification of the Hazards of Materials for
9 Emergency Response, 2012 edition;

10 (28) NFPA 801, Standard for Fire Protection for Facilities Handling Radioactive
11 Materials, 2008 edition; and

12 (29) NFPA 853, Standard for the Installation of Stationary Fuel Cell Power Systems,
13 2010 edition.

14
15 §13.302. Clarification of Certain Terms Used in NFPA 55.

16 (a) Authority having jurisdiction. As pertains to CNG activities in Texas, the phrase "authority
17 having jurisdiction" defined in NFPA 55 §3.2.2 and referenced in other NFPA publications shall be the
18 Railroad Commission of Texas or any of its divisions or employees, except with respect to the definitions
19 of "approved," "labeled," and "listed" in NFPA 55 §§3.2.

20 (b) Engineering. The Commission does not adopt language in any NFPA 55 rule such as "sound
21 engineering practice," "accepted engineering practice," "good engineering practice," "sound engineering
22 design," or similar language that might be understood to mean or refer to the practice of engineering. The
23 omission of a specific NFPA 55 rule or other NFPA pamphlets containing such language from the
24 exceptions listed in this subchapter is inadvertent and shall not be read or understood as requiring,
25 allowing, or approving the unlicensed practice of engineering or any other professional occupation
26 requiring a license.

27
28 §13.303. Sections in NFPA 55 Adopted with Additional Requirements or Not Adopted.

29 Table 1 of this section lists certain NFPA 55 sections which the Commission adopts with
30
31
32

1 additional requirements or does not adopt in order to address the Commission's rules in this chapter.

2 Figure: 16 TAC §13.303

3

4 This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be
5 within the agency's authority to adopt.

6

7

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