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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 14. In Subchapter A, General Applicability and Requirements, the Commission
3 proposes amendments to §14.2004, Applicability, Severability, and Retroactivity; §14.2007, Definitions;
4 §14.2010, LNG ~~Report~~ Forms; and §14.2013, License Categories, Container Manufacturer Registration,
5 Fees, and Application for Licenses, Manufacturer Registrations, and Renewals [~~Licenses and Fees~~]; new
6 §14.2014, Application for License or Manufacturer Registration (New and Renewal); the repeal of
7 §14.2014, Military Fee Exemption; new §14.2015, Military Fee Exemption; the repeal of §14.2015,
8 Penalty Guidelines for LNG Safety Violations; new §14.2016, Penalty Guidelines and Enforcement; the
9 repeal of §14.2016, Licensing Requirements; amendments to §14.2019, Examination [~~Certification~~]
10 Requirements and Renewals; §14.2020, Employee Transfers; and §14.2021, Requests for LNG Classes;
11 the repeal of §14.2022, Denial, Suspension, or Revocation of Licenses or Certifications, and Hearing
12 Procedure; amendments to §14.2025, Designation and Responsibilities of Company Representatives
13 [~~Outlet~~] and Operations Supervisors [~~Supervisor (Branch Manager)~~]; and §14.2028, Franchise Tax
14 Certification and Assumed Name Certificates; new §14.2029, Changes in Ownership, Form of
15 Dealership, or Name of Dealership; amendments to §14.2031, Insurance Requirements; and §14.2034,
16 Self-Insurance Requirements; the repeal of §14.2037, Components of LNG Stationary Installations Not
17 Specifically Covered; amendments to §14.2040, Filings Required [~~and Notice Requirements~~] for
18 Stationary LNG Installations; new §14.2041, Notice of, Objections to, and Hearings on Proposed
19 Stationary LNG Installations; and new §14.2042, Physical Inspection of Stationary Installations;
20 amendments to §14.2043, Temporary Installations; §14.2046, [~~Filings Required for~~] School Bus, Public
21 Transportation, Mass Transit, and Special Transit Vehicle Installations and Inspections [~~Vehicles~~];
22 §14.2049, Report of LNG Incident/Accident; and §14.2052, Application for an Exception to a Safety
23 Rule.

24 In Subchapter B, General Rules for All Stationary LNG Installations, the Commission proposes
25 amendments to §14.2101, System [~~Uniform~~] Protection Requirements; new §14.2102, Installation and
26 Maintenance; amendments to §14.2104, Testing of Containers [~~Uniform Safety Requirements~~]; the repeal
27 of §14.2107, Stationary LNG Storage Containers; amendments to §14.2110, LNG Container Installation
28 Distance Requirements; the repeal of §14.2113, Maintenance Tanks; amendments to §14.2116, Venting
29 [~~Transfer~~] of LNG; §14.2119, Transport Vehicle Loading and Unloading Facilities and Procedures;
30 §14.2122, [~~Transfer Systems, Including Piping,~~] Pumps[,] and Compressors[-] Used for LNG and
31 Refrigerants; and §14.2125, Hoses and Arms; the repeal of §14.2128, Communications and Lighting;
32 amendments to §14.2131, Fire Protection; the repeal of §14.2134, Container Purging Procedures;

1 amendments to §14.2137, Employee Safety and Training; and the repeal of §14.2140, Inspection and
2 Maintenance.

3 In Subchapter D, General Rules for LNG Fueling Facilities, the Commission proposes
4 amendments to §14.2304, General Facility Design; the repeal of §14.2307, Indoor Fueling; amendments
5 to §14.2310, Emergency Refueling; and §14.2313, Fuel Dispensing Systems; new §14.2314, Removal
6 from LNG Service; the repeal of §14.2316, Filings Required for Installation of Fuel Dispensers;
7 amendments to §14.2319, Automatic Fuel Dispenser Safety Requirements; the repeal of §14.2322,
8 Protection of Automatic and Other Dispensers; §14.2325, LNG Transport Unloading at Fueling Facilities;
9 and §14.2328, Training, Written Instructions, and Procedures Required.

10 In Subchapter E, Piping Systems and Components for All Stationary LNG Installations, the
11 repeal of §14.2404, Piping Materials; §14.2407, Fittings Used in Piping; §14.2410, Valves; and §14.2413,
12 Installation of Piping; amendments to §14.2416, Installation of Valves; the repeal of §14.2419, Welding
13 at Piping Installations; §14.2422, Pipe Marking and Identification; §14.2425, Pipe Supports; §14.2428,
14 Inspection and Testing of Piping; §14.2431, Welded Pipe Tests; §14.2434, Purging of Piping Systems;
15 §14.2437, Pressure and Relief Valves in Piping; and §14.2440, Corrosion Control.

16 In Subchapter F, Instrumentation and Electrical Services, the Commission proposes the repeal of
17 all rules in the subchapter, including §14.2501, Liquid Level Gauging; §14.2504, Pressure Gauges;
18 §14.2507, Vacuum Gauges; §14.2510, Emergency Failsafe; §14.2513, Electrical Equipment; and
19 §14.2516, Electrical Grounding and Bonding.

20 In Subchapter G, Engine Fuel Systems, the Commission proposes amendments to §14.2604,
21 System Component Qualification, the repeal of §14.2607, Vehicle Fuel Containers; amendments to
22 §14.2610, Installation of Vehicle Fuel Containers; the repeal of §14.2613, Engine Fuel Delivery
23 Equipment; and §14.2616, Installation of Venting Systems and Monitoring Sensors; amendments to
24 §14.2619, Installation of Piping; the repeal of §14.2622, Installation of Valves; amendments to §14.2625,
25 Installation of Pressure Gauges; the repeal of §14.2628, Installation of Pressure Regulators; and §14.2631,
26 Wiring; amendments to §14.2634, Vehicle Fueling Connection; §14.2637, Signs and Labeling; and
27 §14.2640, System Testing.

28 In Subchapter H, LNG Transports, the Commission proposes amendments to §14.2701, DOT
29 Requirements; §14.2704, Registration and Transfer of LNG Transports; §14.2705, Replacement Decals
30 [~~or Letters of Authority and Fees~~]; §14.2707, Testing Requirements; §14.2710, Markings; §14.2737,
31 Parking of LNG Transports and Container Delivery Units, and Use of Chock Blocks; and §14.2746,
32 Delivery of Inspection Report to Licensee; and the repeal of §14.2749, Issuance of LNG Form 2004

1 Decal.

2 The Commission proposes new Subchapter I, Adoption by Reference of NFPA 52 (Vehicular
3 Gaseous Fuel Systems Code) to include new §14.2801, Adoption by Reference of NFPA 52; §14.2802,
4 Clarification of Certain Terms Used in NFPA 52; and §14.2803, Sections in NFPA 52 Adopted with
5 Additional Requirements or Not Adopted.

6 The Commission proposes new Subchapter J, Adoption by Reference of NFPA 59A (Standard for
7 the Production, Storage, and Handling of Liquefied Natural Gas (LNG)) to include new §14.2901,
8 Adoption by Reference of NFPA 59A; §14.2902, Clarification of Certain Terms Used in NFPA 59A; and
9 §14.2903, Sections in NFPA 59A Adopted with Additional Requirements or Not Adopted. The
10 Commission proposes to adopt the two NFPA standards to establish requirements for Texas LNG
11 licensees and consumers consistent with most other states in the United States. Because NFPA 52 and
12 59A have been adopted in whole or in part by many states, the Texas LNG industry would benefit from
13 their adoption because Texas companies would be held to the same standards.

14 The Commission proposes the amendments, new rules, and repeals to update and clarify the
15 Commission's LNG rules. The main purpose of the proposal is to adopt by reference NFPA 52 and 59A in
16 the proposed new rules in Subchapters I and J. In addition, the Commission proposes amendments to
17 certain rules to incorporate or update references to sections in the NFPA standards, as well as other
18 nonsubstantive clarifications. Rules proposed with these types of amendments include §§14.2019,
19 14.2025, 14.2052, 14.2101, 14.2110, 14.2116, 14.2119, 14.2122, 14.2125, 14.2131, 14.2304, 14.2313,
20 14.2319, 14.2416, 14.2604, 14.2610, 14.2619, 14.2625, 14.2634, 14.2637, and 14.2640.

21 Several rules are proposed for repeal; with the proposed adoption by reference of NFPA 52 and
22 59A, these rules are no longer necessary. Rules proposed for repeal include §§14.2037, 14.2107, 14.2113,
23 14.2128, 14.2134, 14.2140, 14.2307, 14.2316, 14.2322, 14.2325, 14.2328, 14.2404, 14.2407, 14.2410,
24 14.2413, 14.2419, 14.2422, 14.2425, 14.2428, 14.2431, 14.2434, 14.2437, 14.2440, 14.2501, 14.2504,
25 14.2507, 14.2510, 14.2513, 14.2516, 14.2607, 14.2613, 14.2616, 14.2622, 14.2628, 14.2631, 14.2643,
26 and 14.2749.

27 The second purpose for the proposed amendments, new rules, and repeals is to implement
28 changes from the 86th Legislative Session. House Bill 2127 removed the requirement that manufacturers
29 of LNG containers obtain a license from the Commission and instead requires registration with the
30 Commission. Proposed changes to reflect this statutory change are found in §§14.2007, 14.2013, 14.2014,
31 14.2016, 14.2028, new 14.2029, and 14.2031. Operators will not be required to comply with changes
32 directly related to manufacturer registrations until approximately February 15, 2021. Upon adoption, the

1 Commission will specify the effective date relating to requirements for manufacturer registration.

2 These rules also include proposed nonsubstantive amendments to clarify existing language,
3 correct outdated language such as incorrect division and department names, update references to other
4 Commission rules, and ensure language within Chapter 14, and throughout the Commission's alternative
5 fuels regulations, is consistent. Clarifying changes include amendments to improve readability such as
6 removing repetitive language, adding internal cross references, and including language from a referenced
7 section (e.g., a fee amount) to give the reader better access to applicable requirements.

8 Proposed amendments to §14.2007 remove definitions of terms that no longer appear in Chapter
9 14 or are only used within one section and, therefore, do not need to be defined. The proposed
10 amendments add definitions of "certificate holder," "pullaway," "registered manufacturer," and "rule
11 examination," as those terms are now used throughout the chapter. The proposed amendments also clarify
12 several existing definitions.

13 Proposed amendments in §14.2010 remove the list of official forms from the rule language to
14 ensure consistency with other chapters. All Commission forms are now located on the Commission's
15 website. The proposed amendments also specify the form amendment and adoption process.

16 Proposed amendments in §14.2013 include changes to implement the registration requirement
17 from House Bill 2127.

18 Proposed new §14.2014 contains language moved from current §14.2016. New language includes
19 proposed subsection (h), which implements House Bill 2127 by requiring a new form, LNG Form
20 2001M, and specifying that a container manufacturer registration authorizes the manufacture, assembly,
21 repair, testing and sale of LNG containers. The original registration fee is \$1,000; the renewal fee is \$600.
22 Other proposed wording generally clarifies license requirements and reflects the proposed adoption of
23 NFPA 52 and 59A.

24 Current §14.2014 is proposed to be repealed and the text is proposed as new §14.2015 with no
25 changes other than the rule number.

26 Current §14.2015 is proposed to be repealed and most of its text moved to §14.2016. The tables
27 in §14.2016(a)(5) and (a)(11) include some proposed changes from the existing tables in §14.2015. Most
28 of these proposed changes are made to reference container manufacturer requirements and penalty
29 amounts, as well as the adoption of the NFPA documents. Because the tables are proposed in new
30 §14.2016 and therefore do not include any underlining or strike-outs, the Commission has provided a
31 version of these tables showing the proposed changes on its website for comparison purposes. The
32 remaining three tables moving from §14.2015 to new §14.2016 have no proposed changes other than the

1 Figure heading indicating the rule number.

2 Proposed new §14.2016(b) is moved from current §14.2022, which is proposed to be repealed.

3 Proposed new subsection (b) also incorporates references to registered manufacturers.

4 Proposed amendments in §14.2019 include requirements for individuals who perform work,
5 directly supervise LNG activities, or are employed in any capacity requiring contact with LNG, in
6 addition to certain NFPA-related amendments previously discussed. The proposed amendments also
7 ensure "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 and clarifies where and when examinations are available and what an examinee must bring to the
12 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 The examinations were previously listed in Figure 14.2019(a)(3) and are now proposed in §14.2019(c).

15 Amendments proposed in §14.2020 update the process for licensees who hire certificate holders,
16 including allowing notification to the Commission to include only the last four digits of the employee's
17 Social Security Number.

18 Proposed amendments in §14.2025 clarify filing requirements for company representatives,
19 operations supervisors, and outlets, in addition to NFPA-related amendments previously discussed. The
20 proposed amendments specify the requirements for designating company representatives and operations
21 supervisors, and change wording from "termination" to "conclusion of employment" to better
22 communicate AFS's intent for when a licensee must notify AFS of a company representative's or
23 operations supervisor's departure.

24 Proposed new §14.2029, specifies the requirements for any changes in ownership, form of
25 dealership, or name of dealership. The new rule incorporates existing procedures and reflects the process
26 from the corresponding rule in Chapter 9 of this title (relating to LP-Gas Safety Rules).

27 Amendments proposed in §14.2031 incorporate insurance requirements for registered
28 manufacturers.

29 Proposed amendments to §14.2040 remove language related to local requirements to ensure
30 consistency among the Commission's alternative fuels regulations. Proposed amendments reorganize the
31 rule, make minor updates for clarity, and change requirements to ensure consistency among the
32 Commission's alternative fuels regulations.

1 Existing §14.2040 (c) through (m) are proposed to be deleted from §14.2040 and moved to
2 proposed new §§14.2041 and 14.2042 for better organization of the subject matter. Proposed wording in
3 §14.2042 incorporates new terminology used by AFS such that a "safety rule violation" is now called a
4 "non-compliance item."

5 Proposed amendments in §14.2046, in addition to general updates and clarifications, clarify
6 existing filing requirements for registering an LNG transport.

7 Proposed amendments to §14.2049 clarify existing requirements and align the rules with the
8 accident and incident reporting procedures in Chapter 9 of this title.

9 Proposed amendments in §14.2101 include updates due to NFPA changes. Proposed amendments
10 also require uprights, braces, and cornerposts to be anchored in concrete a minimum of 12 inches below
11 the ground. This provision is added to ensure consistency among the Commission's alternative fuels
12 regulations.

13 Proposed amendments in new §14.2102 and §14.2314 ensure the rules match current Commission
14 procedure as well as the corresponding rules in Chapter 9.

15 Proposed amendments in §14.2704 clarify requirements for registration and transfer of LNG
16 cargo tanks or delivery units and conform the rule to similar provisions in Chapters 9 and 13 of this title.

17 Proposed amendments in §14.2710 clarify the requirements for markings on CNG transports.
18 New language proposed in subsection (b) requires certain types of public transportation vehicles to mark
19 the location of the manual shutoff valve.

20 Other proposed amendments are nonsubstantive clarifications or updates such as correcting
21 Commission department or division names, reorganization of the rule text, or other similar revisions.
22 These types of amendments are proposed in §§14.2004, 14.2021, 14.2034, 14.2043, 14.2104, 14.2137,
23 14.2310, 14.2701, 14.2704, 14.2705, 14.2707, 14.2710, 14.2737, and 14.2746.

24 April Richardson, Director, Alternative Fuels Safety Department, has determined that there will
25 be a one-time cost to the Commission of approximately \$23,275 in programming costs based on 490
26 hours of programming to implement changes required by HB 2127. This cost will be covered using the
27 Commission's existing budget. Further, AFS will have a one-time cost to purchase copies of NFPA 52
28 and 59A. The copies of NFPA standards will be provided to all inspectors, to managers at the AFS Austin
29 office, and to examinees and instructors across the state. The total estimated cost to replace these books is
30 \$4,408. This cost will also be covered using AFS's existing budget. There are no anticipated fiscal
31 implications for local governments as a result of enforcing the amendments and new rule.

1 Ms. Richardson has determined that there will be minimal costs for those required to comply with
2 the proposed amendments. Any cost stems from the need to purchase copies of NFPA 52 and/or NFPA
3 59A if a person required to comply does not already own a copy. The softbound copies of NFPA 52 and
4 NFPA 59A total \$116. Manufacturers who are no longer required to obtain a license will save \$20 per
5 company representative per year, as the certificate renewal requirements will not apply to these
6 employees.

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

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

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

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

20 During the first five years that the rules would be in effect, the proposed amendments would not:
21 create or eliminate a government program; create or eliminate any employee positions; require an increase
22 or decrease in future legislative appropriations; increase or decrease fees paid to the agency; create a new
23 regulation; increase or decrease the number of individuals subject to the rule's applicability; expand, limit,
24 or repeal an existing regulation; or effect the state's economy. The amendments are proposed to align
25 Commission rules with governing state statutes and national standards. The amendments would decrease
26 fees paid to the agency because due to HB 2127, manufacturers no longer require a license. Thus, a
27 registered manufacturer is not required to pay \$20 per company representative for annual certificate
28 renewal.

29 Comments on the proposal may be submitted to Rules Coordinator, Office of General Counsel,
30 Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967; online at
31 www.rrc.texas.gov/general-counsel/rules/comment-form-for-proposed-rulemakings; or by electronic mail
32 to rulescoordinator@rrc.texas.gov. The Commission will accept comments until 12:00 noon on Monday,

1 December 14, 2020. The Commission finds that this comment period is reasonable because the proposal
2 and an online comment form will be available on the Commission's website more than two weeks prior to
3 Texas Register publication of the proposal, giving interested persons additional time to review, analyze,
4 draft, and submit comments. The Commission cannot guarantee that comments submitted after the
5 deadline will be considered. For further information, call Ms. Richardson at (512) 463-6935. The status of
6 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)
7 [rules](http://www.rrc.texas.gov/general-counsel/rules/proposed-rules).

8 The Commission proposes the amendments and new rules under Texas Natural Resources Code,
9 §116.012, which authorizes the Commission to promulgate and adopt rules and standards relating to any
10 and all aspects or phases of the compressed natural gas and liquefied natural gas industries that will
11 protect or tend to protect the health, welfare, and safety of the general public; Texas Natural Resources
12 Code §116.013, which allows the Commission to adopt by reference in its rules all or part of the
13 published codes of nationally recognized societies as standards to be met in the design, construction,
14 fabrication, assembly, installation, use, and maintenance of CNG or LNG components and equipment;
15 and Texas Natural Resources Code §116.031(e), which requires a person engaging in the manufacture or
16 fabrication of containers to register with the commission in accordance with rules adopted by the
17 commission.

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

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

20
21 **SUBCHAPTER A. GENERAL APPLICABILITY AND REQUIREMENTS.**

22 §14.2004. Applicability, Severability, and Retroactivity.

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

27 (b) This chapter shall ~~does~~ not apply to:

28 (1) locomotives, railcar tenders, marine terminals; ~~[-or to]~~

29 (2) the transportation, loading, or unloading of LNG on ships, barges, or other types of
30 watercraft which are subject to the American Boat and Yacht Council and any other applicable standards;
31 ~~[-or to]~~

32 (3) any fuel cell approved by the Federal Aviation Administration and intended to be

1 used solely as a fuel cell for aircraft, including hot air balloons; ~~[- or to]~~

2 (4) an installation or connection that is part of a distribution or pipeline system that is
3 covered by Title 49, Code of Federal Regulations, Part 192;

4 (5) ~~[- From the point at which~~ LNG in a system that has been vaporized and converted to
5 compressed natural gas (CNG), in which case the equipment and components must comply with the
6 Commission's Regulations for Compressed Natural Gas in Chapter 13 of this title (relating to Regulations
7 for Compressed Natural Gas (CNG)); and

8 (6) liquefaction plants under the jurisdiction of DOT and the requirements of Chapter 8
9 of this title (relating to Pipeline Safety Regulations).

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

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

15 (e) ~~[(d)]~~ Unless otherwise stated, the rules in this chapter are not retroactive. Any installation of
16 an LNG system, containers, and equipment shall meet the requirements of this chapter at the time of
17 installation~~[- however, the Railroad Commission of Texas has jurisdiction over all LNG installations in~~
18 ~~Texas and installations placed into operation after October 1, 1996, shall comply with this chapter. All~~
19 ~~other LNG installations in operation prior to October 1, 1996, shall be maintained and operated in a safe~~
20 ~~manner as determined by the Railroad Commission of Texas. Persons engaged in LNG activities on the~~
21 ~~effective date of this chapter shall comply with licensing and examination requirements by February 1,~~
22 ~~1997].~~

23 (f) ~~[(e)]~~ This chapter ~~[The requirements of 16 TAC Chapter 14]~~ shall not apply to vehicles and

24 fuel supply containers that:
25 (1) are manufactured or installed by original equipment manufacturers; and
26 (2) comply with Title 49, Code of Federal Regulations, the Federal Motor Vehicle Safety
27 Standards ~~[- and]~~

28 ~~[(3) comply with the National Fire Protection Association (NFPA) Code 57, *Liquefied*~~
29 ~~*Natural Gas (LNG) Fuel Systems Code*]~~

30 (g) ~~[(f)]~~ Vehicles and fuel supply containers excluded from the requirements of this chapter
31 pursuant to subsection (f) ~~[(e)]~~ of this section shall comply with the requirements of §14.2046 of this
32 title ~~[-]~~ (relating to ~~[Filings Required for]~~ School Bus, Public Transportation, Mass Transit and Special

1 Transit Vehicle Installations and Inspections) [~~Vehicles~~].

2
3 §14.2007. Definitions.

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

6 (1) AFS [~~AED~~]~~--The Commission's Alternative Fuels Safety department within the~~
7 Commission's Oversight and Safety [~~Energy~~] Division.

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

11 (2) [(3)] Aggregate water capacity (AWC)~~--The sum of all individual container capacities~~
12 ~~as measured by weight or volume of water which are placed at a single installation location~~ [~~when the~~
13 ~~containers in a battery at an installation are full~~].

14 (3) [(4)] ANSI--American National Standards Institute.

15 (4) [(5)] API--American Petroleum Institute.

16 (5) [(6)] ASME--American Society of Mechanical Engineers.

17 (6) [(7)] ASME Code--The American Society of Mechanical Engineers Boiler and
18 Pressure Vessel Code, Section I, Section IV, Section VIII, and Section IX.

19 (7) [(8)] Automatic fuel dispenser--A fuel dispenser which requires transaction
20 authorization.

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

24 [(9) ~~Branch manager--See "Operations supervisor."~~]

25 (9) [(10)] Certified--An individual who is authorized by the Commission [~~Authorized~~] to
26 perform the LNG activities covered by the certification issued under §14.2019 of this title [~~under the~~
27 ~~direction of a licensee as set forth in the Texas Natural Resources Code. Certification alone does not~~
28 ~~allow an employee to perform those activities which require licensing~~].

29 (10) [(11)] Combustible material--A solid material which, in the form in which it is used
30 and under the conditions anticipated, can be ignited and will burn, support combustion, or release
31 flammable vapors when subjected to fire or heat.

32 (11) [(12)] Commercial installation--An LNG equipment installation located on premises

1 other than a single-family dwelling used primarily as a residence.

2 (12) [(13)] Commission--The Railroad Commission of Texas.

3 (13) [(14)] Company representative--The individual [~~An owner or employee of a~~
4 ~~licensee~~] designated to the Commission by a license applicant or a [~~by that~~] licensee as the principal
5 individual in authority [~~to take any required examinations~~] and actively supervising the conduct of the
6 licensee's LNG activities [~~to actively supervise LNG operations of the licensee~~].

7 (14) [(15)] Container--Any LNG vessel manufactured to the applicable sections of the
8 API Code, ASME Code, or DOT requirements in effect at the time of manufacture.

9 (15) [(16)] Container appurtenances--Components installed in container openings,
10 including but not limited to pressure relief devices, shutoff valves, backflow check valves, excess flow
11 check valves, internal valves, liquid level gauges, pressure gauges, and plugs.

12 (16) [(17)] Conversion--The changes made to a vehicle to allow it to use LNG as a motor
13 fuel.

14 [(18) Design pressure--The pressure for which a system or portion of that system is
15 designed.]

16 (17) [(19)] Dike--A structure used to establish an impounding area.

17 (18) [(20)] Director--The director of AFS [~~the AED~~] or the director's delegate.

18 (19) [(21)] Dispensing system--That combination of valves, meters, hoses, piping,
19 electrical connections, and fuel connections used to distribute LNG to mobile or motor fuel containers.

20 (20) [(22)] DOT--The United States Department of Transportation.

21 (21) [(23)] Employee--Any individual who renders or performs any services or labor for
22 compensation, including individuals hired on a part-time or temporary basis, full-time or permanent basis,
23 [;] independent contractors, [;] and owner-employees.

24 [(24) Failsafe--Design features which provide for safe conditions in the event of a
25 malfunction of control devices or an interruption of an energy source or an emergency shutdown.]

26 (22) [(25)] Final approval--The authority issued by AFS [~~LP Gas Operations~~] allowing
27 the introduction of LNG into a container and system.

28 (23) [(26)] Fired equipment--Any equipment in which the combustion of fuels takes
29 place.

30 [(27) Fixed length dip tube--A pipe with a fixed open end positioned inside a container at
31 a designated elevation to measure a liquid level.]

32 (24) [(28)] Ignition source--Any item, substance, or event having adequate temperature

1 and energy release of the type and magnitude sufficient to ignite any flammable mixture of gases or
2 vapors that could occur at a site.

3 ~~(25) [(29)] Impounding area--An area defined through the use of dikes or the topography~~
4 ~~at the site for the purpose of containing any accidental spill of LNG.~~

5 ~~[(30) Individual--One human being. (See also "Person".)]~~

6 ~~(26) [(31)] Interim approval order--The authority issued by the Railroad Commission of~~
7 ~~Texas following a public hearing allowing construction of an LNG installation.~~

8 ~~(27) [(32)] Labeled--The attachment to equipment or materials of a label, symbol, or~~
9 ~~other identifying mark of a nationally recognized testing laboratory or a Category 50 licensee which~~
10 ~~conducts product evaluation, periodically inspects production of listed equipment or materials, and which~~
11 ~~publishes its findings in a list indicating that the equipment either meets appropriate standards or has been~~
12 ~~tested and found suitable for use in a specified manner.~~

13 ~~[(33) LFL--Lower flammability limit.]~~

14 ~~(28) [(34)] Licensed--Authorized by the Commission to perform LNG activities through~~
15 ~~the issuance of a valid license by AFS [~~LP Gas Operations~~].~~

16 ~~(29) [(35)] Licensee--A person which has applied for and [~~An applicant that has~~] been~~
17 ~~granted an LNG license by the Commission [~~LP Gas Operations~~].~~

18 ~~[(36) Listed--The inclusion of equipment or materials in a list published by a nationally-~~
19 ~~recognized testing laboratory or a Category 50 licensee which conducts product evaluation, periodically-~~
20 ~~inspects production of listed equipment or materials, and whose listing states either that the equipment or~~
21 ~~material meets appropriate standards or has been tested and found suitable for use in a specified manner.~~

22 ~~(30) [(37)] LNG--Natural gas, consisting primarily of methane in liquid or semisolid~~
23 ~~state [~~, that has been condensed to liquid by cooling~~].~~

24 ~~(31) [(38)] LNG system--A system of safety devices, containers, pipng, fittings, valves,~~
25 ~~regulators, and other LNG equipment intended for use or used with a motor vehicle fueled by LNG and~~
26 ~~any system or other facilities designed to be used or used [~~installed at a facility or on a vehicle and-~~~~
27 ~~designed for use] in the sale, storage, transportation for delivery, or distribution of LNG.~~

28 ~~(32) [(39)] LNG transport--Any vehicle or combination of vehicles and LNG containers~~
29 ~~designed or adapted for use or used principally as a means of moving or delivering LNG from one place~~
30 ~~to another, including but not limited to any truck, trailer, semi-trailer, cargo tank, or other vehicle used in~~
31 ~~the distribution of LNG.~~

32 ~~[(40) LP Gas Operations--The organizational unit of the AED that administers the LNG-~~

1 ~~safety program, including licensing, truck registration, installation approvals, complaint and accident-~~
2 ~~investigations, inspections of stationary installations and vehicles, and code enforcement.]~~

3 (33) [(41)] Mass transit vehicle--Any vehicle which is owned or operated by a political
4 subdivision of a state, city, or county, and which is used primarily in the conveyance of the general
5 public.

6 (34) [(42)] Maximum allowable working pressure--The maximum gauge pressure
7 permissible at the top of completed equipment, containers, or vessels in their operating position for a
8 design temperature.

9 (35) [(43)] Mobile fuel container--An LNG container mounted on a vehicle [~~and used~~] to
10 store LNG as the fuel supply for uses other than the engine to propel the vehicle, including use in an
11 auxiliary engine [~~motor fuel~~].

12 (36) [(44)] Mobile fuel system--An LNG system to supply natural gas fuel to an auxiliary
13 engine other than the engine used to propel the vehicle or for other uses on the vehicle.

14 (37) [(45)] Motor fuel container--An LNG container mounted on a vehicle and used to
15 store LNG as the fuel supply to an engine used to propel the vehicle.

16 (38) [(46)] Motor fuel system--An LNG system to supply natural gas [~~LNG~~] as a fuel for
17 an engine used to propel the vehicle.

18 (39) [(47)] NEC--National Electrical Code (NFPA 70).

19 (40) [(48)] NFPA--National Fire Protection Association.

20 (41) [(49)] Noncombustible material--A solid material which in no conceivable form or
21 combination with other material will ignite.

22 [~~(50) Nonlicensee--A person not required to be licensed, but which shall comply with all~~
23 ~~other applicable rules in this chapter.]~~

24 (42) [(51)] Operations supervisor--An individual who is certified by the Commission to
25 actively supervise a licensee's LNG activities and who is authorized by the licensee to implement
26 operational changes [~~supervises LNG operations at an outlet~~].

27 (43) [(52)] Outlet--A site operated by an LNG licensee from which any regulated LNG
28 activity is performed [~~at which the business conducted materially duplicates the operation for which the~~
29 ~~licensee is initially granted a license~~].

30 (44) [(53)] Person--An individual, [~~sole proprietor~~], partnership, firm, joint venture,
31 corporation, association, or any other business entity, a state agency or institution, county, municipality,
32 school district, [~~or~~] other governmental subdivision, or licensee.

1 (45) [(54)] Point of transfer--The point at which a connection is made to transfer LNG
2 from one container to another.

3 (46) [(55)] Pressure relief device [valve]--A device, including a pressure relief valve,
4 which is designed both to open automatically to prevent a continued rise of internal fluid pressure in
5 excess of a specified value (set pressure) and to close when the internal fluid pressure is reduced below
6 the set pressure.

7 (47) [(56)] Pressure vessel--A container or other component designed in accordance with
8 the ASME Code.

9 (48) [(57)] Property line--The [That] boundary which designates the point at which one
10 real property interest ends and another begins.

11 (49) [(58)] PSIG--Pounds per square inch gauge.

12 (50) [(59)] Public transportation vehicle--A vehicle for hire to transport persons, [or
13 service to the general public] including but not limited to taxis, buses (excluding school buses, mass
14 transit or special transit vehicles), and airport courtesy cars.

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

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

20 (53) [(60)] Repair to container--The correction of damage or deterioration to an LNG
21 container, the alteration of the structure of such a container, or the welding on such a container in a
22 manner which causes the temperature of the container to rise above 400 degrees Fahrenheit.

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

26 (55) [(61)] School--A public or private institution which has been accredited through the
27 Texas Education Agency or the Texas Private School Accreditation Commission.

28 (56) [(62)] School bus--A vehicle that is sold or used for purposes that include carrying
29 students to and from school or related events.

30 (57) [(63)] Special transit vehicle--A vehicle designed with limited passenger capacity
31 which is primarily used by a [~~school or~~] mass transit authority for special transit purposes such as
32 transport of mobility impaired individuals.

1 (58) [(64)] Temporary installation--A stationary installation at which LNG activities are
2 performed for 12 months or less pursuant to §14.2043 of this title (relating to Temporary Installations)
3 [dispensing station, either skid-mounted or on a transport unit, that is intended to be used for a finite-
4 period of time].

5 [(65) Tentative approval--The authority issued by LP Gas Operations without a hearing
6 allowing construction of an LNG installation.]

7 [(66) Thermal expansion relief valve--A pressure relief valve that is activated by pressure
8 created by a fluid temperature rise.]

9 (59) [(67)] Trainee--An individual who has not yet taken and passed an employee-level
10 rules examination [employed by a licensee for a period not to exceed 45 days without that individual
11 having successfully completed the required examinations for the LNG activities to be performed].

12 (60) [(68)] Transfer area--That portion of an LNG refueling station where LNG is
13 introduced into or dispensed from a stationary installation.

14 (61) [(69)] Transfer system--All piping, fittings, valves, pumps, meters, hoses, bulkheads,
15 and equipment used in transferring LNG between containers.

16 [(70) Transition joint--A connector fabricated of two or more metals used to join piping
17 sections of two different materials.]

18 (62) [(71)] Transport--Any container built in accordance with ASME or DOT
19 specifications and used to transport LNG for delivery [bobtail or semi-trailer equipped with one or more
20 containers].

21 (63) [(72)] Transport system--Any and all piping, fittings, valves, and equipment on a
22 transport, excluding the container.

23 (64) [(73)] Ultimate consumer--The person controlling LNG immediately prior to its
24 ignition.

25 [(74) Vaporizer--A device other than a container that receives LNG in liquid form and
26 adds sufficient heat to convert the liquid to a gaseous state.]

27 (65) [(75)] Water capacity--The amount of water in gallons required to fill a container.

28
29 §14.2010. LNG [Report] Forms.

30 Forms required to be filed with AFS shall be those prescribed by the Commission. A complete set
31 of all required forms shall be posted on the Commission's web site. Notice of any new or amended forms
32 shall be issued by the Commission. Any form filed with the Commission shall be completed in its

1 entirety. A person may file the prescribed form on paper or use any electronic filing process. The
2 Commission may at its discretion accept an earlier version of a prescribed form, provided that it contains
3 all required information. [Under the provisions of the Texas Natural Resources Code, Chapter 116, the
4 Commission has designated the following forms for use.]

5 [Figure: 16 TAC §14.2010]
6

7 §14.2013. License Categories, Container Manufacturer Registration, Fees, and Application for Licenses,
8 Manufacturer Registrations, and Renewals. [Licenses and Fees]

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

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

15 (1) A Category 15 license for container assembly and repair [manufacturers and/or
16 fabricators] authorizes the [manufacture, fabrication,] assembly, repair, installation, subframing, testing,
17 and sale of LNG containers, including LNG motor or mobile fuel containers and systems, and the repair
18 and installation of transport and transfer systems [for use in Texas]. The original license fee is \$1,000; the
19 renewal fee is \$600.

20 (2) A Category 20 license for transport outfitters authorizes the subframing, testing, and
21 sale of LNG transport containers; the testing of LNG storage containers; the installation, testing, and sale
22 of LNG motor or mobile fuel containers and systems; and the installation and repair of transport systems
23 and motor or mobile fuel systems [for use in Texas]. The original license fee is \$400; the renewal fee is
24 \$200.

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

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

30 (5) A Category 35 license for retail and wholesale dealers authorizes the storage, sale,
31 transportation, and distribution of LNG and all other activities included in this section, except the
32 manufacture, fabrication, assembly, repair, subframing, and testing of LNG containers. The original

1 license fee is \$750; the renewal fee is \$300.

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

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

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

14 ~~[(e) An original manufacturer of a new motor vehicle powered by LNG, or a subcontractor of a
15 manufacturer who produces a new LNG-powered motor vehicle for the manufacturer, is not subject to the
16 licensing requirements of this title, but shall comply with all other rules in this chapter.]~~

17 ~~[(d) Public or private entities performing LNG activities for their own vehicles are not required to
18 be licensed. Public or private entities performing any LNG activities for the general public are required to
19 be licensed.]~~

20 (c) ~~[(e)]~~ A military service member, military veteran, or military spouse shall be exempt from
21 the original license fee specified in subsection (b) of this section pursuant to the requirements in §14.2015
22 ~~§14.2014~~ of this title (relating to Military Fee Exemption). An individual who receives a military fee
23 exemption is not exempt from renewal or transport registration fees specified in §14.2014 ~~§14.2016~~ and
24 §14.2704 of this title (relating to Application for License or Manufacturer Registration (New and
25 Renewal) ~~[Licensing Requirements]~~; and Registration and Transfer of LNG Transports), respectively~~]~~.

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

28
29 §14.2014. Military Fee Exemption. **REPEAL**

30
31 §14.2014. Application for License or Manufacturer Registration (New and Renewal).

32 (a) No person may engage in any LNG activities until that person has obtained a license from the

1 Commission authorizing the LNG activities, except as follows:

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

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

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

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

17 (c) Licensees, registered manufacturers, company representatives, and operations supervisors at
18 each outlet shall have copies of all current licenses and/or manufacturer registration certificates and
19 certification cards for employees at that location available for inspection during regular business hours. In
20 addition, licensees and registered manufacturers shall maintain a current version of the rules in this
21 chapter and any adopted codes covering LNG activities performed by the licensee or manufacturer, and
22 shall provide at least one copy of all publications to each company representative and operations
23 supervisor. The copies shall be available to employees during business hours.

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

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

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

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

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

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

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

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

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

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

12 (2) payment for all applicable fees.

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

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

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

18 (1) Each outlet shall employ an operations supervisor who meets the requirements of
19 §14.2025 of this title.

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

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

26 (1) Applicants for container manufacturer registration shall file with AFS LNG Form
27 2001M, and the following forms or documents as applicable:

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

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

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

32 (D) a copy of current DOT authorization. A registered manufacturer shall not

1 continue to operate after the expiration date of the DOT authorization; and/or

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

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

13 (3) The required fee shall accompany LNG Form 2001M. An original registration fee is
14 \$1,000; the renewal fee is \$600.

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

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

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

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

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

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

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

29 (j) For license and manufacturer registration renewals:

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

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

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

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

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

10 (6) If a person's license or manufacturer registration has been expired for 90 calendar
11 days or fewer, the person shall submit a renewal fee that is equal to 1 1/2 times the renewal fee in
12 §14.2013 of this title (relating to License Categories, Container Manufacturer Registration, Fees, and
13 Application for Licenses, Manufacturer Registrations and Renewals).

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

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

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

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

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

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

1 and Cargo Tank Motor Vehicle Manufacturers and Repairers and Cargo Tank Motor Vehicle
2 Assemblers).

3
4 §14.2015. Penalty Guidelines for LNG Safety Violations. **REPEAL**

5
6 §14.2015. Military Fee Exemption.

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

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

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

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

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

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

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

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

22 and either

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27
28 §14.2016. Licensing Requirements. **REPEAL**

29
30 §14.2016. Penalty Guidelines and Enforcement.

31 (a) Penalty guidelines for LNG safety violations.

32 (1) Policy. Improved safety and environmental protection are the desired outcomes of any

1 enforcement action. Encouraging licensees, certificate holders and registered manufacturers to take
2 appropriate voluntary corrective and future protective actions once a violation has occurred is an effective
3 component of the enforcement process. Deterrence of violations through penalty assessments is also a
4 necessary and effective component of the enforcement process. A rule-based enforcement penalty
5 guideline to evaluate and rank LNG-related violations is consistent with the central goal of the
6 Commission's enforcement efforts to promote compliance. Penalty guidelines set forth in this section will
7 provide a framework for more uniform and equitable assessment of penalties throughout the state, while
8 also enhancing the integrity of the Commission's enforcement program.

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

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

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

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

28 (B) the seriousness of the previous violations;

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

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

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

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

4 Figure: 16 TAC §14.2016(a)(5)

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

9 Figure: 16 TAC §14.2016(a)(6)

10 (7) Penalty enhancements for certain violators. For violations in which the person
11 charged has a history of prior violations within seven years of the current enforcement action, the
12 Commission may assess an enhancement based on either the number of prior violations or the total
13 amount of previous administrative penalties, but not both. The actual amount of any penalty enhancement
14 will be determined on an individual case-by-case basis for each violation. The guidelines in Tables 3 and
15 4 are intended to be used separately. Either guideline may be used where applicable, but not both.

16 Figure 1: 16 TAC §14.2016(a)(7)

17 Figure 2: 16 TAC §14.2016(a)(7)

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

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

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

32 (11) Penalty calculation worksheet. The penalty calculation worksheet shown in Table 5

1 lists the typical penalty amounts for certain violations; the circumstances justifying enhancements of a
2 penalty and the amount of the enhancement; and the circumstances justifying a reduction in a penalty and
3 the amount of the reduction.

4 **Figure: 16 TAC §14.2016(a)(11)**

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

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

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

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

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

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

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

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

31 (D) If, after hearing, the Commission finds that the applicant does not comply
32 with the requirements of this chapter the Commission may issue an order denying the application or

1 renewal.

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

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

8 (B) The notice shall specify the acts, omissions, or conduct constituting the
9 alleged violation or noncompliance and shall designate a date not less than 30 calendar days or more than
10 45 calendar days after the licensee, registered manufacturer, or certified person receives the notice by
11 which the violation or noncompliance shall be corrected or discontinued. If AFS determines the violation
12 or noncompliance may pose imminent peril to the health, safety, or welfare of the general public, AFS
13 may notify the licensee, registered manufacturer, or certified person orally with instruction to
14 immediately cease the violation or noncompliance. When oral notice is given, AFS shall follow it with
15 written notification no later than five business days after the oral notification.

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

21 (4) Hearing regarding suspension or revocation of licenses, manufacturer registrations,
22 and certificates. If a licensee, registered manufacturer, or certified person disagrees with the determination
23 of AFS under this subsection, that person may request a public hearing on the matter as specified in
24 Chapter 1 of this title (relating to Practice and Procedure). The request shall be in writing, shall refer to
25 the specific rules or statutes the licensee, registered manufacturer, or certified person claims to have
26 complied with, and shall be received by AFS within 30 calendar days of the person's receipt of the notice
27 of violation or noncompliance. AFS shall forward the request for hearing to the Hearings Division.

28
29 §14.2019. Examination [~~Certification~~] Requirements and Renewals.

30 (a) Requirements and application for a new certificate. [~~This section applies to all licensees and~~
31 ~~their employees who perform LNG activities, and to any ultimate consumer who has purchased, leased, or~~
32 ~~obtained other rights in any vessel defined by this chapter as an LNG transport, including any employee-~~

1 ~~of such ultimate consumer if that employee drives or in any way operates such an LNG transport. Only~~
2 ~~paragraph (2) of this subsection applies to an employee of a state agency or institution, county,~~
3 ~~municipality, school district, or other governmental subdivision. Driving a motor vehicle powered by~~
4 ~~LNG or fueling of motor vehicles for an ultimate consumer by the ultimate consumer or its employees do~~
5 ~~not in themselves constitute LNG activities.]~~

6 (1) In addition to NFPA 52 §§4.1 and 4.2 and 59A §14.9, no person shall perform work,
7 directly supervise LNG activities, [No individual may work] or be employed in any capacity requiring
8 [which requires] contact with LNG unless that individual: [or LNG systems until that individual has
9 submitted to and passed an examination measuring the competence of that individual to perform the LNG
10 activities anticipated and the individual's working knowledge of the Texas Natural Resources Code and
11 the rules in this chapter related to the type of LNG work anticipated. Table 1 of this section specifies
12 which requirements, indicated with an asterisk, apply to each category of license.]

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

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

16 (2) Any person transporting LNG on a public roadway must be properly certified, even if
17 the unit is operated by an ultimate consumer [Each individual who performs LNG activities as an
18 employee of an ultimate consumer or a state agency, county, municipality, school district, or other
19 governmental subdivision shall be properly supervised by his or her employer. Any such individual who
20 is not certified by AFRED to perform such LNG activities shall be properly trained by a competent
21 person in the safe performance of such LNG activities].

22 (b) Rules examination

23 (1) An individual who passes the applicable rules examination with a score of at least
24 75% will become a certificate holder. AFS will send a certificate to the licensee listed on LNG Form
25 2016. If a licensee is not listed on the form, AFS will send the certificate to individual's personal address.

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

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

31 (2) [(3)] An applicant for [individual wishing to submit to] examination shall bring to the
32 exam site:

1 (A) a completed ~~[file]~~ LNG Form 2016; and

2 (B) payment of the applicable fee specified in paragraph (3)(B) of this subsection
3 ~~[along with the appropriate fee listed in subsection (c) of this section with AFRED].~~

4 ~~[Figure: 16 TAC §14.2019(a)(3)]~~

5 (3) ~~(4)~~ An individual who files ~~[has filed]~~ LNG Form 2016 and pays the applicable
6 nonrefundable examination fee may take the rules examination ~~[at the Commission's AFRED Training~~
7 ~~Center, 6506 Bolm Road, Austin, Texas, between the hours of 8:00 a.m. and 12:00 noon, Monday~~
8 ~~through Friday, except for state holidays, and at other designated times and locations around the state.~~
9 ~~Tuesdays and Thursdays are the preferred days for examinations at the AFRED Training Center].~~

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

17 (B) Exam fees.

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

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

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

22 (iv) A military service member, military veteran, or military spouse shall
23 be exempt from the examination fee pursuant to §14.2015 of this title (relating to Military Fee
24 Exemption). An individual who receives a military fee exemption is not exempt from renewal fees
25 specified in subsection (g) of this section.

26 ~~[(5) Within 15 days of the date an individual takes an examination, AFRED shall notify~~
27 ~~the individual of the results of the examination. The individual shall pass the rules examination with a~~
28 ~~score of at least 75%.]~~

29 ~~[(A) If the examination is graded or reviewed by a testing service, AFRED shall~~
30 ~~notify the individual of the examination results within 14 days of the date AFRED receives the results~~
31 ~~from the testing service. If the notice of the examination results will be delayed for longer than 90 days~~
32 ~~after the examination date, AFRED shall notify the individual of the reason for the delay before the 90th~~

1 day. ~~AFRED may require a testing service to notify an individual of the individual's examination results.]~~

2 ~~[(B) Successful completion of any required examination shall be credited to the~~
3 ~~individual. An individual who has been issued a certification card shall make the card readily available~~
4 ~~and shall present the card to any Commission employee or agent who requests proof of certification.]~~

5 ~~[(C) Any individual who fails an examination shall be immediately disqualified~~
6 ~~from performing any LNG activities covered by that examination. If requested by an individual who~~
7 ~~failed the examination, AFRED shall furnish the individual with an analysis of the individual's~~
8 ~~performance on the examination. Any individual who fails an examination administered by AFRED at the~~
9 ~~Austin location only may retake the same examination one additional time during a business day. Any~~
10 ~~subsequent examination shall be taken on another business day, unless approved by the AFRED director.]~~

11 (C) [(6)] Time limits.

12 (i) An [(A) Effective June 1, 2008, an] applicant shall complete the
13 examination within the time limits specified in this subparagraph.

14 (A) The employee-level LNG Delivery Truck Driver
15 examination and the management-level Category 35 Retail and Wholesale Dealers examination shall be
16 limited to [within] three hours; and

17 (B) [shall complete] all other examinations shall be limited to
18 [within] two hours.

19 (ii) [(B)] The examination proctor shall be the official timekeeper.

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

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

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

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

30 (1) Employee-level examinations:

31 (A) The Delivery Truck Driver examination qualifies an individual to operate a
32 transport, load and unload LNG and connect and disconnect transfer hoses, and to perform all activities

1 related to stationary LNG systems, including LNG containers, piping and equipment.

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

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

9 (D) The Engine Fuel examination qualifies an individual to install LNG motor
10 fuel containers and LNG motor fuel systems, and replace container valves on motorized vehicles licensed
11 to operate on public roadways. The Engine Fuel examination does not authorize an individual to fill LNG
12 motor fuel containers.

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

17 (2) Management-level examinations:

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

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

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

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

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

32 (F) Category 40 examination qualifies an individual to store, sell, and dispense

1 LNG into motor- and mobile fuel containers.

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

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

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

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

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

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

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

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

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

26 (f) Trainees.

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

31 (A) [(4)] In addition to NFPA 52 §4.2, the [The] trainee shall be directly and
32 individually supervised at all times by an individual who has successfully completed the Commission's

1 rules examination for the [those] areas of work being performed by the trainee.

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

5 ~~[(2) The licensee or ultimate consumer other than a political subdivision shall ensure that~~
6 ~~LNG Form 2016 is on file with AFRED for each trainee at the time the trainee begins supervised LNG~~
7 ~~activities. The trainee shall then have 45 calendar days to pass the applicable rules examination.]~~

8 (2) [(3)] A trainee who fails the rules examination shall immediately cease to perform
9 any LNG activities covered by the examination failed.

10 ~~[(4) A trainee who has been in training for a total of 45 days in any combination and~~
11 ~~with any number of employers shall cease to perform any LNG activities for which the trainee is not~~
12 ~~currently certified.]~~

13 ~~[(5) Once a trainee has taken the rules examination, the training period shall cease and the~~
14 ~~individual shall perform no LNG activities which require certification until the individual is notified by~~
15 ~~AFRED that the individual passed the examination.]~~

16 ~~[(c) The applicant shall pay to AFRED a \$70 examination fee for each management level~~
17 ~~examination and a \$40 fee for each employee level examination in advance of each required examination.~~
18 ~~Examination fees are nonrefundable. An applicant who fails an examination shall pay the full~~
19 ~~examination fee for each subsequent examination.]~~

20 (g) [(d)] Requirements for certificate holder renewal.

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

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

27 (3) Certificate holders [To maintain active status, a certificate holder] shall pay the
28 nonrefundable \$25 annual certificate renewal fee to AFS [AFRED] on or before May 31 of each year.
29 Individuals who hold more than one certificate shall pay only one annual renewal fee.

30 (A) [(1)] Failure to pay the nonrefundable annual renewal fee by the [renewal]
31 deadline shall result in a lapsed certificate [a lapse of certification unless the late filing fee in paragraph
32 (2) of this subsection is paid. If an individual's certification has been expired for one year or longer, that

1 individual shall comply with the requirements of subsection (a) of this section].

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

5 (ii) If an individual's certificate [certification] lapses or expires, that
6 individual shall immediately cease performance of any LNG activities authorized by the certificate [that
7 require certification. An individual may regain certified status only by successfully completing the
8 examination required for the certification and meeting the requirements of paragraph (2) of this section.]

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

12 (B) [(2) Any lapsed or expired renewals submitted after May 31 of each year
13 shall include a \$20 late filing fee in addition to the renewal fee and proof of successful completion of the
14 examination required for the certification no later than close of business on August 31 or, if August 31
15 falls on a weekend or state holiday, close of business on the last business day before August 31.] Upon
16 receipt of the annual renewal fee and any late-filing fee, AFS shall verify that all applicable requirements
17 have been met [renewal fee, late filing penalty, and proof of successful completion of the examination
18 required for the certification, AFRED shall verify that the individual's certification has not been
19 suspended, revoked, or expired for one year or longer]. After verification, AFS [AFRED] shall renew and
20 send a copy of the certificate, [certification] and the individual may continue or resume LNG activities
21 authorized by that certificate.

22 [(c) Expired certifications. Any renewal submitted after the August 31 deadline shall be
23 considered expired. If an individual wishes to renew a certification that has been expired for less than one
24 year, that individual shall submit the annual renewal fee and late filing fee, and proof of successful
25 completion of the examination required for certification. Upon verification that the individual's certificate
26 has not been suspended, revoked, or expired for one year or longer, AFRED shall renew the individual's
27 certification and the individual may resume LNG activities.]

28 [(f) A military service member, military veteran, or military spouse shall be exempt from the
29 examination fee specified in subsection (c) of this section pursuant to the requirements in §14.2014 of this
30 title (relating to Military Fee Exemption). An individual who receives a military fee exemption is not
31 exempt from renewal fees specified in subsection (d) of this section.]

32

1 §14.2020. Employee Transfers.

2 (a) A [~~When a previously certified individual is hired, the~~] licensee or [~~;~~] ultimate consumer [~~, or~~
3 ~~state agency, county, municipality, school district, or other governmental subdivision~~] shall notify AFS
4 [AFRED] by filing [~~a properly completed and signed~~] LNG Form 2016A and a nonrefundable \$10 [~~along~~
5 ~~with a \$10 filing~~] fee with AFS, or in lieu of LNG Form 2016A, submit the \$10 fee and a written notice
6 including: [~~Notice shall include~~]

7 (1) the employee's name as recorded with the Commission; and [~~on a current driver's~~
8 ~~license or Texas Department of Public Safety identification card;~~]

9 (2) the last four digits of the employee's [~~employee~~] social security number, [~~name of~~
10 ~~previous and new licensee employer, and types of LNG related work to be performed by the newly hired~~
11 ~~certified employee. A state agency, county, municipality, school district, or other governmental~~
12 ~~subdivision is exempt from this subsection if such entity chooses not to certify its employees who~~
13 ~~perform LNG activities~~].

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

17
18 §14.2021. Requests for LNG Classes.

19 Requests for Commission staff [~~Staff~~] to conduct an LNG training class for LNG activities under
20 the Commission's jurisdiction shall be submitted to the AFS [~~AFRED~~] training section. The AFS
21 [~~AFRED~~] training section may conduct the requested class at its discretion. The nonrefundable fee for an
22 LNG training class is \$250 if no overnight expenses are incurred by AFS [~~AFRED~~], or \$500 if overnight
23 expenses are incurred. AFS [~~AFRED~~] may waive the class fee in cases where the Commission recovers
24 the cost of the class from another source, such as a grant.

25
26 §14.2022. Denial, Suspension, or Revocation of Licenses or Certifications, and Hearing Procedure.

27 **REPEAL**

28
29 §14.2025. Designation and Responsibilities of Company Representatives [~~Outlet~~] and Operations
30 Supervisors [~~Supervisor (Branch Manager)~~].

31 (a) Each licensee shall have at least one company representative for the license and at least one
32 operations supervisor for each outlet. [~~The Commission shall designate whether a site is an outlet for the~~

1 ~~purpose of this chapter. Criteria used by the Commission in determining the designation of an outlet~~
2 ~~include but are not limited to:~~

3 ~~[(1) distance from other LNG activities operated by the licensee;]~~

4 ~~[(2) whether the operation duplicates the primary LNG operation; and]~~

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

6 (1) [(b)] A licensee maintaining one or more outlets [~~than one outlet~~] shall file LNG
7 Form 2001 [2001A] with AFS listing the physical location of the first outlet and designating the company
8 representative for the license and file LNG Form 2001A [LP Gas Operations] designating the physical
9 location and [~~an~~] operations supervisor for each additional [~~(branch manager) at each~~] outlet. [~~The~~
10 operations supervisor shall pass the management examination administered by AFRED before
11 commencing or continuing the licensee's operations at the outlet.]

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

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

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

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

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

21 (4) The [~~(e) An operations supervisor may be a~~] company representative may also serve
22 as operations supervisor for one or more of the licensee's outlets provided that the person meets both the
23 company representative and operations supervisor requirements in this section [~~of the licensee; however,~~
24 ~~an individual may be designated as an operations supervisor at only one outlet unless approved by LP~~
25 ~~Gas Operations].~~

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

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

32 (B) A licensee shall cease LNG activities at an outlet if it no longer employs a

1 qualified operations supervisor at that outlet who complies with the Commission's requirements. A
2 licensee shall not resume LNG activities at that outlet until such time as it has a properly qualified
3 operations supervisor.

4 (b) A company representative shall:

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

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

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

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

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

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

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

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

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

18 (3) ~~(d) The operations supervisor shall~~ be directly responsible for actively supervising
19 the LNG activities ~~[operations]~~ of the licensee at the designated outlet.

20
21 §14.2028. Franchise Tax Certification and Assumed Name Certificates.

22 (a) An applicant for an original or renewal license or registered manufacturer that is a
23 corporation, limited partnership or limited liability company shall be approved to transact business in
24 Texas by ~~[in good standing with]~~ the Texas Comptroller of Public Accounts ~~[of the State of Texas]~~. The
25 licensee or registered manufacturer ~~[An original license applicant]~~ shall provide a copy of the current
26 Certificate of Account Status ~~[Franchise Tax Statement]~~ from the Texas Comptroller of Public Accounts,
27 ~~[showing "In Good Standing."]~~

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

1 filed with the respective county clerk's office and/or the Secretary of State's Office [~~office~~].

2
3 §14.2029. Changes in Ownership, Form of Dealership, or Name of Dealership.

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

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

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

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

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

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

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

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

32 (4) certificates of insurance or affidavits in lieu of insurance if permitted by §14.2034 of

1 this title (relating to Self-Insurance Requirements) or both; and

2 (5) any other forms required by AFS.

3 (d) Company representatives and operations supervisors. In all changes of ownership, form of
4 dealership, or name of dealership, the resulting entity shall have a properly certified company
5 representative for the license and an operations supervisor, if required, at each outlet and as specified in
6 §14.2025 of this title (relating to Designation and Responsibilities of Company Representative and
7 Operations Supervisors).

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

12
13 §14.2031. Insurance Requirements.

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

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

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

30 **Figure: 16 TAC §14.2031(a)**

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

32 ~~[(1) an insurance Acord™ form or any other form approved by the Texas Department of~~

1 ~~Insurance that has been prepared and signed by the insurance carrier and contains all required-~~
2 ~~information. The forms must be issued by an insurance company authorized or accepted by the Texas-~~
3 ~~Department of Insurance; or]~~

4 ~~[(2) properly completed documents demonstrating the applicant's compliance with the-~~
5 ~~self insurance requirements in §14.2034 of this title (relating to Self Insurance Requirements).]~~

6 ~~[(3) Certificates of insurance shall be continuous in duration and shall remain on file with-~~
7 ~~LP Gas Operations during the entire period that the license is in effect.]~~

8 ~~[(4) Documentation other than a certificate of insurance may be accepted by LP Gas-~~
9 ~~Operations as evidence of required insurance provided that the documentation contains the same-~~
10 ~~information as required on a certificate of insurance. The alternative documentation may be accepted for a-~~
11 ~~period not to exceed 45 days. During the temporary period, a licensee shall file with LP Gas Operations-~~
12 ~~an amended certificate of insurance which complies with the requirements of this section.]~~

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

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

22 ~~(d) [(e)]~~ A [~~Category 25 or 35~~] licensee, applicant for a license, or an ultimate consumer that
23 does not operate or contemplate operating a motor vehicle equipped with an LNG cargo container or does
24 not transport or contemplate transporting LNG by vehicle in any manner may [~~shall~~] file LNG Form
25 2997B in lieu of filing [~~a~~] motor vehicle bodily injury and property damage insurance form, if this
26 certificate is not otherwise required. The licensee or applicant for a license shall file the required
27 insurance form [~~forms~~] with AFS [~~LP Gas Operations]~~ before operating a motor vehicle equipped with an
28 LNG cargo container or transporting LNG by vehicle in any manner.

29 ~~(e) [(f)]~~ A [~~Category 15~~] licensee, registered manufacturer, or applicant for a license or
30 manufacturer registration that does not engage in or contemplate engaging in any LNG activities [~~LNG-~~
31 ~~related operations in Texas]~~ that would be covered by completed operations or products [~~and product~~]
32 liability insurance, or both, may [~~shall~~] file LNG Form 2998B in lieu of filing a completed operations

1 ~~and/or products [and product]~~ liability insurance form. The licensee, registered manufacturer, or applicant
2 for a license or manufacturer registration shall file the required insurance form [~~forms~~] with AFS [LP Gas
3 Operations] before engaging in any activities [~~operations~~] that require completed operations and/or
4 products [~~and product]~~ liability insurance.

5 (f) [~~(e)~~] A licensee, registered manufacturer, or applicant for a license or manufacturer
6 registration that does not engage in or contemplate engaging in any activities [~~LNG-related operations~~]
7 that would be covered by general liability insurance may [~~shall~~] file LNG Form 2998B in lieu of filing a
8 general liability insurance form. The licensee, registered manufacturer, or applicant for a license or
9 manufacturer registration shall file the required insurance form [~~forms~~] with AFS [LP Gas Operations]
10 before engaging in any activities [~~operations~~] that require general liability insurance.

11 (g) [~~(h)~~] A [~~Notwithstanding the requirements specified in Table 1 of subsection (a) of this~~
12 ~~section that each licensee carry a policy of workers' compensation insurance, the~~] licensee may protect its
13 employees by obtaining accident and health insurance coverage from an insurance company authorized to
14 write such policies in this state [~~Texas~~] as an alternative to workers' compensation coverage. The
15 alternative coverage shall be in the amounts specified in Table 1 [~~of subsection (a)~~] of this section.

16 (h) [~~(i)~~] Each licensee or registered manufacturer shall promptly notify AFS [LP Gas
17 Operations] of any change in insurance coverage or insurance carrier by filing a [~~properly completed~~]
18 revised [~~certificate of insurance; insurance~~] Acord™ form; other form approved by the Texas Department
19 of Insurance that has been prepared and signed by the insurance carrier containing all required [~~that~~
20 ~~contains all the~~] information [~~required by the certificate of insurance~~]; or documents demonstrating the
21 applicant's compliance with the self-insurance requirements set forth in §14.2034 of this title [~~(relating to~~
22 ~~Self-Insurance Requirements)~~]. Failure to promptly notify AFS [LP Gas Operations] of a change in the
23 status of insurance coverage or insurance carrier may result in an enforcement action and an
24 administrative penalty.

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

31
32 §14.2034. Self-Insurance Requirements.

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

4 (b) A licensee applying for self-insurance shall file LNG Form 2027 with AFS [~~LP-Gas-~~
5 ~~Operations,~~] along with materials which will allow AFS [~~LP-Gas Operations~~] to determine whether:

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

10 (2) the applicant has a sound self-insurance program. The applicant shall demonstrate that
11 it has established and shall maintain an insurance program that will protect the public against all claims
12 involving LNG activities to the same extent as the minimum limits specified in Table 1 of §14.2031 of
13 this title (relating to Insurance Requirements). Such a program may include but not be limited to one or
14 more of the following: reserves; irrevocable letter of credit, as specified in subsection (h) of this section;
15 sinking funds; third-party financial guarantees; parent company or affiliate sureties; excess insurance
16 coverage; or other similar arrangements.

17 (c) AFS [~~LP-Gas Operations~~] may consider applications for approval of other securities or
18 agreements, or may require any other information which may be necessary to ensure the application
19 satisfies that the security or agreement offered will afford adequate security for protection of the public.

20 (d) AFS [~~LP-Gas Operations~~] may approve a licensee's application for self-insurance if the
21 licensee demonstrates to AFS [~~LP-Gas Operations~~] its ability to satisfy its obligations for the minimum
22 insurance requirements specified in §14.2031 of this title (relating to Insurance Requirements). AFS [~~LP-~~
23 ~~Gas Operations~~] may approve the licensee as a self-insurer for a specific time period or for an indefinite
24 period until further action is taken by AFS [~~LP-Gas Operations~~].

25 (e) The applicant shall file semi-annual reports and annual statements with the applicant's
26 financial status and status of its self-insurance program with AFS [~~LP-Gas Operations~~] during the period
27 of its self-insurer status by March 10 and September 10 of each year.

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

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

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

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

9 (2) be irrevocable during their terms;

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

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

14
15 §14.2037. Components of LNG Stationary Installations Not Specifically Covered. **REPEAL**

16
17 §14.2040. Filings Required [and Notice Requirements] for Stationary LNG Installations.

18 (a) General requirements. No LNG container shall be placed into LNG service or an installation
19 operated or used in LNG service until the requirements of this section, as applicable, are met and the
20 facility is in compliance with all applicable rules in this chapter and ~~[aH]~~ statutes. LNG systems under the
21 jurisdiction of DOT Safety regulations in 49 CFR Part 193 shall comply with Chapter 8 of this title
22 (relating to Pipeline Safety Regulations) prior to implementation of service. [~~in addition to any~~
23 applicable requirements of the municipality or the county where an installation is or will be located. A
24 person who purchases an existing LNG installation shall file LNG Form 2019 with LP Gas Operations
25 within 10 calendar days of the purchase in order for the installation to remain in LNG service.]

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

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

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

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

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

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

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

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

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

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

9 (1) For ~~[(b) Prior to the construction of a]~~ stationary installations with ~~[installation which~~
10 ~~would result in]~~ an aggregate water capacity of 15,540 gallons or more, the licensee ~~[applicant]~~ shall
11 submit the following information to AFS at least 30 days prior to construction:

12 (A) LNG Form 2500; ~~[and]~~

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

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

15 (i) the facility's property boundaries;

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

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

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

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

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

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

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

28 (v) any known potential hazards;

29 (vi) location of any sources of ignition;

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

32 (viii) the location of other types of fuel dispensers, the type of fuel

1 dispensed, and the distance to LNG containers and dispensing equipment:

2 (E) a non-refundable fee of \$50 for the initial [\$50] application or a
3 nonrefundable fee of \$30 for any resubmission; and [fee to LP Gas Operations including site plans and
4 plans and specifications for the installation at least 30 calendar days prior to construction.]

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

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

12 (3) [(4)] Plans and specifications submitted under subparagraph (D) of this paragraph
13 shall be sealed by a registered professional engineer licensed and in good standing to practice in the State
14 of Texas and who is qualified in the area of the design and construction of LNG facilities.

15 ~~[(2) Plans and specifications shall include fire protection which complies with §14.2131-~~
16 ~~of this title (relating to Fire Protection).]~~

17 (4) [(3)] If the applicant modifies the plans and specifications before tentative or interim
18 approval is granted by AFS [LP Gas Operations] or the Commission, respectively, the plans and
19 specifications shall be resealed by a registered professional engineer licensed to practice in the State of
20 Texas and resubmitted to AFS [LP Gas Operations]. [A non-refundable fee of \$30 shall be required for
21 any resubmission.]

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

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

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

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

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

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

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

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

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

8 (6) AFS shall notify the applicant as follows:

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

11 (B) If the application is administratively denied:

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

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

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

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

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

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

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

31 (C) If the applicant fails to request an extension of time within the time period
32 prescribed in this paragraph, the applicant will be required to submit a new application before the

1 installation can be completed.

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

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

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

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

12 (12) 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 LNG Form 2500.

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

17 (e) For an installation that is a licensee outlet, the operating licensee shall comply with §14.2014
18 of this title (relating to Applications for License or Manufacturer Registration (New and Renewal)) within
19 30 days of installation.

20 ~~[(e) Prior to the installation of an LNG container resulting in an aggregate water capacity of~~
21 ~~15,540 gallons or more, the applicant or licensee shall send a copy of LNG Form 2500, LNG Form~~
22 ~~2500A, and a plat by certified mail, return receipt requested, to all owners of real property situated within~~
23 ~~500 feet of the proposed container location(s). The applicant or licensee shall submit LNG Form 2500 to~~
24 ~~LP Gas Operations at the same time LNG Form 2500 and LNG Form 2500A are mailed to the real~~
25 ~~property owners.]~~

26 ~~[(1) Notice shall be considered sufficient when the applicant or licensee has provided~~
27 ~~evidence that a complete LNG Form 2500, LNG Form 2500A, and a plat have been sent to all real~~
28 ~~property owners. The applicant or licensee may obtain names and addresses of owners from current~~
29 ~~county tax rolls.]~~

30 ~~[(2) The applicant or licensee shall notify owners of real property situated within 500 feet~~
31 ~~of the proposed container location(s) if the current aggregate water capacity of the installation is more~~
32 ~~than doubled in a 12-month period or if the resulting aggregate water capacity of the installation will be~~

1 ~~more than 214,348 gallons.]~~

2 ~~[(3) The applicant or licensee shall retain the return receipts for Commission review, if~~
3 ~~requested.]~~

4 ~~[(4) The site plan or drawing shall describe the facility's property or a 250-foot diameter~~
5 ~~(measured from the proposed container's location on the site), whichever is smaller, and include all~~
6 ~~containers, buildings, structures, geographical or topographical features, or any other features or activities~~
7 ~~relating to LNG which could affect the health, safety and welfare of the general public. The site plan or~~
8 ~~drawing shall include a scale or legend to indicate the distances or measurements described.]~~

9 ~~[(5) Objections shall be filed with LP Gas Operations within 18 days of the postmarked~~
10 ~~date on the notice letter. If LP Gas Operations finds that the objection is not proper, LP Gas Operations~~
11 ~~shall notify the property owner and the property owner shall have ten days from the date of LP Gas~~
12 ~~Operations' postmarked letter to correct the objection. If one or more of the adjoining property owners~~
13 ~~files an objection and a written request with LP Gas Operations for a hearing, the hearing shall be~~
14 ~~conducted as soon as possible and a recommendation presented to the Railroad Commission within 90~~
15 ~~days following the hearing. When possible, the hearing shall be held in a location near the proposed site.]~~

16 ~~[(A) LP Gas Operations shall review all objections within 10 business days of~~
17 ~~receipt. An objection shall be in writing and shall include a statement of facts showing that the proposed~~
18 ~~installation:]~~

19 ~~[(i) does not comply with the rules in this chapter, specifying which rules~~
20 ~~are violated;]~~

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

23 ~~[(iii) constitutes a danger to the public health, safety, and welfare,~~
24 ~~specifying the exact nature of the danger. For purposes of this section, "danger" means an imminent threat~~
25 ~~or an unreasonable risk of bodily harm, but does not mean diminished property or esthetic values in the~~
26 ~~area. The Railroad Commission does not consider public health, safety, and welfare to include such~~
27 ~~factors as the value of property adjacent to the installation, the esthetics of the proposed installation, or~~
28 ~~similar considerations.]~~

29 ~~[(B) Upon review of the objection, LP Gas Operations shall either:]~~

30 ~~[(i) schedule a public hearing as specified in §14.2022 of this title~~
31 ~~(relating to Denial, Suspension, or Revocation of Licenses or Certifications, and Hearing Procedure); or]~~

32 ~~[(ii) notify the objecting party in writing within 10 business days of~~

1 receipt requesting further information for clarification and stating why the objection is being returned.
2 The objecting entity shall have 10 calendar days from the postmark of LP Gas Operations' letter to file its
3 corrected objection. Clarification of incomplete or non-substantive objections shall be limited to two
4 opportunities. If new objections are raised in the objecting party's clarification, the new objections shall
5 be limited to one notice of correction.]

6 [(6) Temporary installations which are used during peak demand times such as during
7 cold weather or emergencies are not required to comply with these notice requirements. However, a sign
8 shall be installed at the site and brochures or other similar means of notification shall be available at the
9 site to advise the public of the need and use for the temporary installation.]

10 [(d) Unless considered to be in the public interest by LP Gas Operations, the applicant or licensee
11 does not need to notify owners of real property situated within 500 feet of the proposed container
12 location(s) of an addition to an existing LNG facility provided the current aggregate water capacity is not
13 more than doubled in a 12-month period; however, if the resulting aggregate water capacity will exceed
14 214,348 gallons, the applicant or licensee shall provide notice as specified in subsection (c) of this
15 section.]

16 [(e) LP Gas Operations shall grant tentative or the Commission shall grant interim approval prior
17 to the setting of the LNG container and construction of the LNG installation.]

18 [(f) When an LNG container is replaced with a container of the same or less overall diameter and
19 length or height, and installed in the identical location of the existing container at an LNG storage
20 installation of 15,540 gallons aggregate water capacity or more, the applicant shall file LNG Form 2501
21 with LP Gas Operations.]

22 [(1) LNG Form 2500, LNG Form 2500A, and LNG Form 2501, including site plans and
23 plans and specifications, are not required to be filed prior to installation of pull-away devices, or
24 emergency shutoff valves (ESV's), or when maintenance and improvements are being performed to the
25 piping system at existing previously approved LNG installations having an aggregate water capacity of
26 15,540 gallons or more.]

27 [(2) A nonrefundable fee of \$50 shall be submitted with each LNG Form 2500. A
28 nonrefundable resubmission fee of \$30 shall be included with each incomplete or revised set of plans and
29 specifications resubmitted.]

30 [(3) The proposed installation shall not be operated or used in LNG service until
31 approved by LP Gas Operations.]

32 [(g) Upon completion of a commercial installation having an aggregate water capacity of less-

1 than 15,540 gallons, the applicant shall submit LNG Form 2501, postmarked or physically delivered to
2 LP Gas Operations, within ten calendar days after completion of such installation. LNG Form 2501 shall
3 state that:]

4 ~~[(1) the installation complies with the statutes and the rules in this chapter;]~~

5 ~~[(2) any necessary LNG licenses have been issued; and]~~

6 ~~[(3) the installation has been placed in LNG service.]~~

7 ~~[(h) A nonrefundable fee of \$10 for each LNG container listed on LNG Form 2501 shall be~~
8 ~~submitted with each LNG Form 2501 required to be filed by the applicable subsections of this section. A~~
9 ~~nonrefundable resubmission fee of \$20 shall be included for each LNG Form 2501 resubmitted.]~~

10 ~~[(i) LP Gas Operations shall review all applications within 21 business days of the receipt of all~~
11 ~~required information and shall notify the applicant as follows:]~~

12 ~~[(1) If LP Gas Operations administratively approves the installation, LP Gas Operations~~
13 ~~shall notify the applicant in writing within 21 business days.]~~

14 ~~[(2) If LP Gas Operations declines to administratively approve the installation, LP Gas~~
15 ~~Operations shall notify the applicant in writing, specifying the deficiencies, within 21 business days. The~~
16 ~~applicant may modify the submission and resubmit it for approval, or may request a hearing on the matter~~
17 ~~in accordance with Chapter 1 of this title (relating to Practice and Procedure).]~~

18 ~~[(j) When LP Gas Operations notifies an applicant of an incomplete LNG Form 2500 or LNG~~
19 ~~Form 2500A, the applicant has 120 calendar days from the date of the notification letter to resubmit the~~
20 ~~corrected application or the application will expire. After 120 days, the applicant shall file a new~~
21 ~~application to reactivate LP Gas Operations' review of the proposed installation.]~~

22 ~~[(1) The applicant may request in writing an extension of the 120 day time period. The~~
23 ~~request shall be postmarked or physically delivered to LP Gas Operations before the expiration date. LP~~
24 ~~Gas Operations may extend the application period for up to an additional 90 days.]~~

25 ~~[(2) If the tentatively approved installation is not completed within one year from the date~~
26 ~~tentative approval was granted, the application will expire. Prior to the date of expiration, the applicant~~
27 ~~may request in writing an extension of time of up to 90 days to complete the installation. If the applicant~~
28 ~~fails to request an extension of time within the time period prescribed in this subsection, the applicant will~~
29 ~~be required to submit a new application before the original installation can be completed.]~~

30 ~~[(3) Prior to the installation of an LNG container referenced in this section in a heavily~~
31 ~~populated or congested area, LP Gas Operations shall determine whether the proposed installation poses a~~
32 ~~threat to the health, safety, and welfare of the general public. LP Gas Operations shall determine~~

1 ~~restrictions on LNG container capacities in accordance with the following:]~~

2 ~~[(A) density of the population within 500 feet of the LNG installation;]~~

3 ~~[(B) nature of the land use on those pieces of property located within 500 feet of~~
4 ~~the LNG installation;]~~

5 ~~[(C) vehicular traffic in the area;]~~

6 ~~[(D) types and numbers of roadways in the area;]~~

7 ~~[(E) type of operations on the premises;]~~

8 ~~[(F) potential ignition sources in the area;]~~

9 ~~[(G) existence of dangerous or combustible materials in the area that might be~~
10 ~~affected in an emergency situation;]~~

11 ~~[(H) the number of members of the general public who are concentrated in the~~
12 ~~area; and]~~

13 ~~[(I) other factors related to the public health, safety, and welfare.]~~

14 ~~[(k) LP Gas Operations shall examine plans and specifications to ensure that they have been~~
15 ~~sealed by a qualified professional engineer licensed to practice in the State of Texas. LP Gas Operations~~
16 ~~shall review site plans to determine whether the installation complies with the distance requirements in~~
17 ~~this chapter. LP Gas Operations shall determine whether the subject of the submission poses a threat to~~
18 ~~the health, safety, and welfare of the general public.]~~

19 ~~[(1) If LP Gas Operations declines to approve administratively the submission, LP Gas~~
20 ~~Operations shall notify the applicant of this decision in writing within 21 calendar days. The applicant~~
21 ~~may modify the submission and resubmit it for approval within 21 calendar days after receiving the~~
22 ~~notice, or may request a hearing to be conducted in accordance with Chapter 1 of this title. The subject of~~
23 ~~the submission shall not be operated or used in LNG service in this state until approved by the~~
24 ~~Commission following a hearing.]~~

25 ~~[(2) LNG Form 2008 or the Manufacturer's Data Report, and any other documentation~~
26 ~~pertinent to the installation, may be requested by LP Gas Operations in order to further determine~~
27 ~~compliance with the rules in this chapter.]~~

28 ~~[(4) Physical inspection of stationary installations:]~~

29 ~~[(1) Aggregate water capacity 15,540 gallons or more. The applicant shall notify LP Gas~~
30 ~~Operations when the installation is ready for inspection. If LP Gas Operations does not physically inspect~~
31 ~~the facility within 30 calendar days of receipt of notice that the facility is ready for inspection, the~~
32 ~~applicant may operate the facility conditionally until the initial complete inspection is made. If any safety-~~

1 rule violations exist at the time of the initial inspection, the applicant may be required to cease LNG
2 operations until the applicant corrects the violations.]

3 [~~(2) Aggregate water capacity of less than 15,540 gallons. After receipt of LNG Form-~~
4 ~~2501, LP Gas Operations shall conduct an inspection as soon as possible to verify the installation-~~
5 ~~described complies with the rules in this chapter. The applicant may operate the facility prior to-~~
6 ~~inspection if the facility fully complies with the rules in this chapter. If any LNG statute or safety rule-~~
7 ~~violations exist at the time of the initial inspection at a commercial installation, LP Gas Operations may-~~
8 ~~immediately remove the subject container, including any piping, appliances, appurtenances, or equipment-~~
9 ~~connected to it from LNG service until the applicant corrects the violations.]~~

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

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

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

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

21 [~~(n) Material variances. If LP Gas Operations determines the completed installation varies-~~
22 ~~materially from the application originally accepted, the applicant shall correct the variance and notify LP-~~
23 ~~Gas Operations of the correction of the variance or resubmit the application. LP Gas Operations' review-~~
24 ~~of such resubmitted application shall comply with the procedure described in this section.]~~

25 [~~(o) In the event an applicant has requested an inspection and LP Gas Operations' inspection-~~
26 ~~identifies violations requiring modifications by the applicant, LP Gas Operations may assess an-~~
27 ~~inspection fee to cover the costs associated with any additional inspection, including mileage and per-~~
28 ~~diem rates set by the legislature.]~~

29
30
31 §14.2041. Notice of, Objections to, and Hearings on Proposed Stationary LNG Installations.

32 (a) Notice of proposed stationary LNG installations.

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

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

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

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

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

15 (B) the resulting aggregate water capacity of the installation will be more than
16 214,348 gallons.

17 (b) Objections to proposed stationary LNG installations.

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

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

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

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

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

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

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

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

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

10 (c) Temporary installations which are used during peak demand times such as during cold
11 weather or emergencies are not required to comply with these notice requirements. However, a sign shall
12 be installed at the site and brochures or other similar means of notification shall be available at the site to
13 advise the public of the need and use for the temporary installation.

14 (d) Hearings on stationary LNG installations.

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

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

17 or

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

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

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

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

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

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

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

5
6 §14.2042. Physical Inspection of Stationary Installations.

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

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

12 (2) If AFS does not physically inspect the facility within 30 calendar days of receipt of
13 notice that the facility is ready for inspection, the facility may operate conditionally until the initial
14 inspection is completed.

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

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

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

30
31 §14.2043. Temporary Installations.

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

1 (1) Prior to the completion of a temporary installation with an individual or aggregate
2 water capacity of 15,540 gallons or less, the licensee [~~or non-licensee~~] shall file LNG Form 2501 with
3 AFS [LP-Gas Operations], and include [including] proof of the local fire marshal's approval if the
4 installation is within such jurisdiction.

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

9 (b) Temporary installations shall be limited to one year from the date of installation. If the
10 temporary installation is expected [needs] to remain in service for more than one year, the licensee [~~or~~
11 ~~nonlicensee~~] responsible for the temporary installation shall inform AFS [LP-Gas Operations of this
12 extension of time] at least 30 days prior to the expiration of the one-year period.

13 (c) Temporary installations shall be protected by guardrailing as specified in §14.2101(c)
14 [§14.2102(f)] of this title (relating to System [Uniform] Protection Requirements) unless otherwise
15 approved by AFS [LP-Gas Operations].

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

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

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

20 (g) AFS [LP-Gas Operations] may inspect temporary installations for compliance with this
21 section.

22 (h) Any temporary installation subject to the jurisdiction of United States Department of
23 Transportation under 49 Code of Federal Regulations, Part 193, shall comply with the applicable DOT
24 rules and any requirements of AFS [LP-Gas Operations].

25 (i) Pursuant to §14.2041(c) temporary installations are not required to comply with the
26 notification requirements in §14.2041.

27
28 §14.2046. [Filings Required for] School Bus, Public Transportation, Mass Transit, and Special Transit
29 Vehicle Installations and Inspections [Vehicles].

30 (a) After the manufacture of or the conversion to an LNG system on any vehicle to be used in
31 Texas as a school bus, mass transit, public transportation, or special transit vehicle, the manufacturer,
32 licensee, or ultimate consumer making the installation or conversion shall notify AFS [LP-Gas

1 ~~Operations]~~ in writing on LNG Form 2503 that the applicable LNG-powered vehicles are ready for a
2 complete inspection to determine compliance with the rules in this chapter.

3 (b) AFS shall conduct the inspection ~~[If LP-Gas Operations' initial complete inspection finds the~~
4 ~~vehicle in compliance with the rules in this chapter and the statutes, the vehicle may be placed into LNG-~~
5 ~~service. For fleet installations of identical design, an initial inspection shall be conducted prior to the~~
6 ~~operation of the first vehicle, and subsequent vehicles of the same design may be placed into service~~
7 ~~without prior inspections. Subsequent inspections shall be conducted]~~ within a reasonable time [frame] to
8 ensure the vehicles are operating in compliance with the rules in this chapter. ~~[If violations exist at the~~
9 ~~time of the initial complete inspection, the vehicle shall not be placed into LNG service and the~~
10 ~~manufacturer, licensee, or ultimate consumer making the installation or conversion shall correct the~~
11 ~~violations. The manufacturer, licensee, or ultimate consumer shall file with LP Gas Operations~~
12 ~~documentation demonstrating compliance with the rules in this chapter, or LP Gas Operations shall~~
13 ~~conduct another complete inspection before the vehicle may be placed into LNG service.]~~

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

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

23 (3) For public transportation vehicles only, if AFS does not conduct the initial inspection
24 within 30 business days of receipt of the LNG Form 2503, the vehicle may be operated in LNG service if
25 it 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 §14.2049 Report of LNG Incident/Accident

3 (a) ~~At the earliest practical moment or within two hours following discovery, a [If an incident or~~
4 ~~accident occurs during transport, as a result of a pullaway, or where LNG is or is suspected to be the~~
5 ~~cause, the] licensee [or nonlicensee] owning, operating, or servicing equipment or an [the] installation~~
6 ~~shall notify AFS [LP Gas Operations] by telephone of any event involving LNG which [within two hours~~
7 ~~of discovery after the licensee or nonlicensee has knowledge of the incident or accident if any of the~~
8 ~~following occurs]:~~

9 (1) involves a single release of LNG during or following LNG transfer or during
10 container transportation. Any loss of LNG which is less than 1.0% of the gross amount delivered, stored,
11 or withdrawn need not be reported. Any loss occurring as a result of a pullaway shall be reported [a spill
12 of 25 gallons or more of LNG];

13 (2) caused an estimated [property] damage to the property of the operator, others, or both
14 totaling \$50,000 or more, including gas loss [of \$1,000 or greater]; [or]

15 (3) caused a death or any personal [an] injury requiring hospitalization [transport to a
16 medical facility]

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

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

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

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

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

24 (b) Any transport unit required to be registered with AFS [LP Gas Operations] in accordance with
25 §14.2704 of this title (relating to Registration and Transfer of LNG Transports) which is involved in an
26 accident where there is damage to the tank, piping appurtenances, or any release of LNG resulting from
27 the accident shall be reported to AFS [LP Gas Operations], regardless of the accident location. Any LNG-
28 powered motor vehicle used for school transportation or mass transit, including any state-owned vehicle,
29 which is involved in an accident resulting in a release of LNG or damage to LNG equipment shall be
30 reported to AFS [LP Gas Operations], regardless of the accident location.

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

1 following ~~information~~:

- 2 (1) ~~the~~ date and time of the incident ~~or accident~~;
- 3 (2) name of the reporting operator ~~type of structure or equipment involved~~;
- 4 (3) phone number of the operator ~~resident's or operator's name~~;
- 5 (4) ~~physical~~ location of the leak or incident;
- 6 (5) personal ~~number and type of~~ injuries and/or ~~or~~ fatalities;
- 7 (6) whether fire, explosion, or leak has occurred;
- 8 (7) status of leak or other immediate hazards ~~whether LNG is currently leaking~~; ~~and~~
- 9 (8) other significant facts relevant to the incident; and
- 10 (9) ~~(8)~~ whether immediate assistance from AFS ~~LP Gas Operations~~ is requested.

11 ~~(d) The individual making the telephone notification shall leave his or her name and telephone~~
12 ~~number.~~

13 ~~(d)~~ ~~(e)~~ Following the initial telephone report ~~of any of the incidents or accidents described in~~
14 ~~this section~~, the licensee who made the telephonic report shall submit ~~file~~ LNG Form 2020 to AFS
15 ~~with LP Gas Operations~~. The form shall be postmarked within 14 calendar days of the date of initial
16 notification to AFS, or within five business days of receipt of the fire department report, whichever occurs
17 first, unless AFS grants authorization for a longer period of time when additional investigation or
18 information is necessary ~~LP Gas Operations~~.

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

23
24 §14.2052. 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 59A requirements, a ~~Any~~ person may apply for an exception to the provisions of this chapter by
27 filing LNG Form 2025 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 ~~the~~ 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 support 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 [Ø] ~~or~~
4 economic 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 [~~can~~] 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 applicant filing the application or by the~~
18 ~~applicant's authorized representative; and]~~

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 shall include the following items and
22 procedures:

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (3) The applicant may modify the application to correct the deficiencies and resubmit the
27 application along with a \$30 resubmission fee, or may request a hearing on the matter [~~in accordance with~~
28 ~~Chapter 1 of this title (relating to Practice and Procedure)~~].

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

31 (B) [~~if~~] A hearing shall be held when AFS [~~LP Gas Operations~~] receives an
32 objection, as set out in subsection (d) of this section from any affected entity or when the applicant

1 requests one following an administrative denial. AFS [LP Gas Operations] shall forward the request to
2 the Hearing Division ~~[mail the notice of hearing to the applicant and all objecting entities by certified-~~
3 ~~mail, return receipt requested, at least 21 calendar days prior to the date of the hearing. Hearings will be~~
4 ~~held in accordance with the Texas Government Code, Chapter 2001, et seq., Chapter 1 of this title, and~~
5 ~~the rules in this chapter].~~

6 (f) ~~[(g)]~~ Applicants intentionally submitting incorrect or misleading information are subject to
7 penalties as set out in Texas Natural Resources Code, ~~[§]§116.142 [91.143]~~, and the filing of incorrect or
8 misleading information shall be grounds for dismissing the ~~[Commission to dismiss an]~~ application with
9 prejudice.

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

13 (i) ~~For good cause shown, LP Gas Operations may grant a temporary exception of 30 days or~~
14 ~~less to the examination requirements for company representatives and operations supervisors. Good cause~~
15 ~~includes but is not limited to death of a sole proprietor or partner. Applicants for temporary exceptions~~
16 ~~shall comply with applicable safety requirements and LP Gas Operations shall obtain information~~
17 ~~showing that the exception will not be hazardous to the public.]~~

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

22

23 **SUBCHAPTER B. GENERAL RULES FOR ALL STATIONARY LNG INSTALLATIONS.**

24 §14.2101. System ~~[Uniform]~~ Protection Requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (2) The top of the horizontal guardrailing shall be secured to the vertical supports at least
24 30 inches above the ground. The horizontal guardrailing shall be at least three-inch Schedule 40 steel pipe
25 or other material with equal or greater strength. The horizontal guardrailing shall be welded or bolted to
26 the vertical supports with bolts of sufficient size and strength to prevent damage to the protected
27 equipment under normal conditions including the nature of the traffic to which the protected equipment is
28 subjected.

29 (3) Openings in the horizontal guardrailing shall not exceed 36 inches. Only one opening
30 is allowed on each side of the guardrailing. A means of temporarily removing the horizontal guardrailing
31 and/or vertical supports to facilitate the handling of heavy equipment may be incorporated into the
32 horizontal guardrailing and vertical supports. In no case shall the protection provided by the horizontal

1 guardrailing and vertical supports be decreased. Transfer hoses from the bulkhead shall be routed only
2 over the horizontal guardrailing or through the 45-degree opening in front of the bulkhead.

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

5 (d) [(b)] Protection shall be maintained in good condition at all times in accordance with the
6 standards set forth in this section. AFS [LP Gas Operations] may impose additional requirements to
7 ensure the safety of personnel and the general public.

8 (e) [(e) Stationary LNG installations shall be protected from tampering and damage by either
9 fencing or guardrails, or a combination of both as specified in this section.] The operating end of each
10 [the] container, including the material handling equipment and the entire dispensing system, and any part
11 of the LNG transfer system, dispensing system, or storage container which is exposed to collision damage
12 or vehicular traffic shall be protected from this type of damage [by the vehicular traffic to which it is
13 normally exposed. The protection shall extend at least 24 inches beyond any part of the LNG transfer
14 system, dispensing system, or storage container.]

15 [(d) Stationary LNG installations may use fencing which is located more than 25 feet from any
16 point of the LNG transfer system, dispensing system, or storage containers. If such perimeter fencing is
17 used, the LNG transfer system, dispensing system, or storage containers shall also be protected from the
18 normal vehicular traffic to which they are subjected by guardrails at the operating end of the equipment,
19 including all material handling equipment. Guardrails shall be located at least 24 inches beyond any part
20 of the protected equipment which is exposed to vehicular traffic.]

21 [(e) Fencing at LNG stationary installations shall comply with the following:]

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

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

26 [(3) Uprights, braces, and cornerposts shall be composed of noncombustible material if
27 located within the minimum distances specified for ignition sources or combustible materials set forth in
28 §14.2110 of this title (relating to LNG Container Installation Distance Requirements) for the enclosed
29 LNG transfer system, dispensing system, or LNG containers.]

30 [(4) A minimum clearance of 24 inches shall be maintained between the fencing and any
31 part of an LNG transfer system, dispensing system, or storage container that is part of a stationary
32 installation.]

1 ~~[(f) Guardrails at LNG stationary installations shall comply with the following:]~~

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

6 ~~[(2) The top of the horizontal guardrailing shall be secured to the vertical supports at least~~
7 ~~30 inches above the ground. The horizontal guardrailing shall be at least three inch schedule 40 steel pipe~~
8 ~~or other material with equal or greater strength. The horizontal guardrailing shall be welded or bolted to~~
9 ~~the vertical supports with bolts of sufficient size and strength to prevent damage to the protected~~
10 ~~equipment under normal conditions including the nature of the traffic to which the protected equipment is~~
11 ~~exposed.]~~

12 ~~[(3) Openings in the horizontal guardrailing shall not exceed 36 inches. A means of~~
13 ~~temporarily removing the horizontal guardrailing and vertical supports to facilitate the handling of heavy~~
14 ~~equipment may be incorporated into the horizontal guardrailing and vertical supports. In no case shall the~~
15 ~~protection provided by the horizontal guardrailing and vertical supports be decreased. Transfer hoses from~~
16 ~~the bulkhead shall be routed only over the horizontal guardrailing or through the 45 degree opening in~~
17 ~~front of the bulkhead.]~~

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

20 ~~(e) [(g)]~~ Stationary LNG installations shall comply with the sign and lettering requirements
21 specified in Table 1 of this section and the following:

22 **Figure: 16 TAC §14.2101(g)**

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

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

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

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

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

31 (f) [(h)] At least two monitoring sensors shall be installed at all stationary installations to detect
32 hazardous levels of LNG. Sensors shall activate at not more than 25% of the lower flammability limit

1 (LFL) of LNG. If the level exceeds one-fourth of the LFL, the sensor shall either shut the system down or
2 activate an audible and visual alarm. The number of sensors to be installed shall comply with the area of
3 coverage for each sensor and the size of the installation. The sensors shall be installed and maintained in
4 accordance with the manufacturer's instructions.

5
6 §14.2102. Installation and Maintenance.

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

13
14 §14.2104. Testing of Containers [~~Uniform Safety Requirements~~].

15 (a) In order to determine the safety of a container, AFS [~~LP Gas Operations~~] may require that the
16 licensee or operator of the container submit a copy of [~~request~~] the manufacturer's data report on that
17 container. AFS [~~LP Gas Operations~~] may also require [~~request~~] that the container and assembly
18 [~~containers and assemblies~~] be tested [~~examined~~] by a Category 15, 20, or 50 licensee and [~~equipped for~~
19 ~~and experienced in the testing of LNG containers and equipment. The Category 15, 20, or 50 licensee~~
20 ~~shall file~~] a comprehensive report on the [~~its~~] findings submitted to AFS [~~with LP Gas Operations~~]. This
21 requirement may be applied even though an acceptable LNG Form 2023 has been received [~~is on file with~~
22 ~~LP Gas Operations~~].

23 (b) Any stationary LNG container previously in LNG service brought into Texas or which has not
24 been subject to continuous LNG pressure or inert gas pressure shall be inspected by a currently licensed
25 Category 15, 20, or 50 licensee to determine if the container shall be leak-tested or re-certified. A copy of
26 the inspector's written report shall be filed with AFS [~~LP Gas Operations~~]. The container shall not be used
27 until the appropriate leak test or certification process determines the container is safe for LNG service
28 [~~LP Gas Operations grants approval~~].

29 (c) Any stationary LNG container which has been subject to continuous LNG or inert gas
30 pressure may not require testing [~~need not be tested~~] prior to installation provided the licensee or operator
31 of the container files [~~an acceptable~~] LNG Form 2023 at the time [~~is filed with LP Gas Operations when~~]
32 LNG Form 2500 is submitted for any facility requiring submission of a site plan in accordance with

1 §14.2040 of this title (relating to Filings for Stationary LNG Installations) [plans and specifications].

2 (d) AFS may remove a container from LNG service or require ASME acceptance of a container
3 at any time if AFS determines that the nameplate is loose, unreadable, or detached, or if it appears to be
4 tampered with or damaged in any way and does not contain at a minimum the items specified in
5 subsection (a) of this section. [When installed for use, containers shall not be stacked one upon another
6 except when designed by the manufacturer for stacking.]

7
8 §14.2107. Stationary LNG Storage Containers. **REPEAL**

9
10 §14.2110. LNG Container Installation Distance Requirements.

11 ~~[(a) LNG containers shall be installed in accordance with the following minimum distance~~
12 ~~requirements:]~~

13 ~~[(1) Containers with aggregate water capacities up to 15,540 gallons shall be located at~~
14 ~~least 25 feet from any building, property line, stationary ignition sources, or other aboveground~~
15 ~~flammable liquids;]~~

16 ~~[(2) Containers with aggregate water capacities from 15,541 to 93,240 gallons shall be~~
17 ~~located at least 50 feet from any building, property line, stationary ignition sources, or other aboveground~~
18 ~~flammable liquids;]~~

19 ~~[(3) Containers with aggregate water capacities of 93,241 gallons or more shall be located~~
20 ~~at least 100 feet from any building, property line, stationary ignition sources, or other aboveground~~
21 ~~flammable liquids.]~~

22 ~~[(4) Underground LNG containers shall be located at least 15 feet apart, regardless of~~
23 ~~size.]~~

24 ~~[(5) LNG dispensers or points or transfer shall be located at least 25 feet from the nearest~~
25 ~~building not associated with the LNG facility and from any line of adjoining property that can be built~~
26 ~~upon.]~~

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

32 (b) [(e)] In addition to NFPA 52 §13.5, stationary [Stationary] LNG containers and piping shall

1 not be placed in the area directly beneath or above an electric transmission, distribution, or customer
2 service line and the area six feet to either side of that line. If this distance is not adequate to prevent the
3 line and the associated voltage from contacting the LNG container in the event of breakage of any
4 conductor, then other suitable means of protection designed and constructed to prevent such contact with
5 the container may be used if approval is received from AFS [~~LP Gas Operations~~]. The request for
6 approval shall be in writing and shall specify the manner in which the container will be protected from
7 contact, including specifications for the materials to be used. If AFS [~~LP Gas Operations~~] does not
8 approve the proposed protection, then the container shall be located a sufficient distance from the line to
9 prevent such contact.

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

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

15
16 §14.2113. Maintenance Tanks. **REPEAL**

17
18 §14.2116. Venting [~~Transfer~~] of LNG.

19 ~~[(a)]~~ Venting of LNG is prohibited as part of routine activities, except for the following:

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

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

23 ~~[(b) LNG being transferred into stationary storage containers shall be compatible in composition~~
24 ~~or temperature and density with the LNG already in the container. When making transfers into fueling~~
25 ~~facility containers, the LNG shall be transferred at a pressure that will not exceed the set pressure of the~~
26 ~~pressure relief device.]~~

27 ~~[(c) When the composition or temperature and density are not compatible, measures shall be~~
28 ~~taken to prevent an excessive rate of vapor evolution.]~~

29 ~~[(d) At least one licensed or certified individual shall be in attendance while unloading is in~~
30 ~~progress.]~~

31 ~~[(e) Ignition sources shall not be permitted within 25 feet of the transfer area or within the~~
32 ~~distances specified as classified areas in Table 1 of §14.2513 of this title (relating to Electrical~~

1 ~~Equipment) while transfer of LNG is in progress.]~~

2 ~~[(f) Measuring instruments shall be provided to determine that containers are not overfilled.]~~

4 §14.2119. Transport Vehicle Loading and Unloading Facilities and Procedures.

5 ~~[(a) In addition to NFPA 59A §11.6, transport [Transport] vehicle loading and unloading~~
6 ~~facilities shall meet the following requirements:~~

7 ~~[(1) Rack structures shall be constructed of noncombustible material such as steel or~~
8 ~~concrete.]~~

9 ~~(1) [(2)]~~ Transfer piping, pumps, and compressors shall be installed with the following
10 protective measures:

11 (A) protection from damage from vehicle movements in compliance with the
12 guardrail and fencing requirements of §14.2101 of this title (relating to System ~~[Uniform]~~ Protection
13 Requirements);

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

17 ~~[(C) isolation valving and bleed connections to depressurize hoses and arms and~~
18 ~~minimize venting before disconnecting;]~~

19 ~~[(D) hoses and arms equipped with a shutoff valve at the free end;]~~

20 (C) ~~[(E)]~~ a check valve on piping for liquid transfer to minimize accidental
21 release; and

22 (D) ~~[(F)]~~ a line relief valve between every pair of isolation valves.

23 ~~[(3) Where multiple products are loaded or unloaded at the same location, loading arms,~~
24 ~~hoses, and manifolds shall be marked to indicate the product or products handled by each system.]~~

25 (2) ~~[(4)]~~ Operating status indicators shall be provided in the transfer area.

26 ~~[(b) Written procedures covering normal transfer and emergency operating procedures shall be~~
27 ~~available for all transfer operations. The procedures shall be kept current and available to all employees~~
28 ~~engaged in transfer operations.]~~

29 ~~[(c) Prior to beginning transfer operations, the following checks shall be made:]~~

30 ~~[(1) Gauge readings shall be obtained or inventory established to prevent overfilling of~~
31 ~~the receiving vessel.]~~

32 ~~[(2) Transfer connections shall be checked to ensure they are gastight and liquidtight.]~~

1 ~~[(3) Unless required for transfer operations, LNG or flammable liquid transport vehicle~~
2 ~~engines shall be turned off. Brakes shall be set and wheels chocked to prevent movement of the vehicle~~
3 ~~prior to connecting for transfer. The engine shall not be started until the transport vehicle has been~~
4 ~~disconnected and any released vapors have dissipated.]~~

5 ~~[(4) Prior to loading LNG into a transport vehicle tank which does not have a positive~~
6 ~~pressure or is not in exclusive LNG service, a test shall be made to determine the oxygen content in the~~
7 ~~receiving container. If the oxygen content in either case exceeds 1.0% by volume, the container shall not~~
8 ~~be loaded until suitably purged.]~~

9 ~~[(5) An LNG transport vehicle shall be positioned prior to transfer so that it can exit the~~
10 ~~area without backing when the transfer operation is complete.]~~

11 ~~[(d) During transfer operations, the following checks shall be made:]~~

12 ~~[(1) Levels shall be checked during the transfer operations.]~~

13 ~~[(2) Pressure and temperature conditions shall be observed during the transfer operations.~~
14 ~~If any unusual variance in pressure occurs, transfer shall be stopped until the cause has been determined~~
15 ~~and corrected.]~~

16 ~~[(e) No repair shall be performed on the transfer system while transfer is taking place.]~~

17
18 §14.2122. ~~[Transfer Systems, Including Piping,]~~ Pumps[,] and Compressors[;] Used for LNG and
19 Refrigerants.

20 ~~[(a) Transfer systems and pumps used for transfer of LNG and refrigerants shall be provided with~~
21 ~~means for precooling to reduce the effect of thermal shock and overpressure.]~~

22 ~~[(b) Check valves shall be provided as required to prevent backflow in transfer systems and shall~~
23 ~~be located as close as practicable to the point of connection to any system from which backflow might~~
24 ~~occur.]~~

25 ~~[(c) In addition to a locally mounted device to shut down the pump or compressor drive, a readily~~
26 ~~accessible, remotely located device shall be provided at least 25 feet away from the equipment to shut~~
27 ~~down the pump or compressor in case of emergency. The device shall be marked in accordance with the~~
28 ~~table in §14.2101 of this title (relating to Uniform Protection Requirements). Remotely located pumps~~
29 ~~and compressors used for loading or unloading tank vehicles shall be provided with shut down controls at~~
30 ~~the transfer area and at the pump or compressor site.]~~

31 ~~[(d)]~~ In addition to NFPA 59A §11.8, pressure ~~[Pressure]~~ gauges shall be installed on each pump
32 and compressor discharge.

1 ~~[(e) Valves shall be installed so that each pump or compressor can be isolated for maintenance.~~
2 ~~Where pumps or centrifugal compressors are installed for operation in parallel, each discharge line shall~~
3 ~~be equipped with a check valve.]~~

4 ~~[(f) Pumps and compressors shall be provided with pressure relief devices to limit the discharge~~
5 ~~pressure to their maximum allowable working pressure.]~~

6
7 §14.2125. Hoses and Arms.

8 ~~[(a) Hoses and arms used for transfer shall be suitable for the temperature and pressure of the~~
9 ~~operating conditions. Hoses shall be designed to have a bursting pressure of at least five times the~~
10 ~~maximum allowable working pressure of the equipment to which it is attached.]~~

11 ~~[(b) Loading hoses or arms shall be supported to prevent displacement of the hoses and arms that~~
12 ~~results in greater stresses than those allowed in Appendix A of ANSI B31.3.]~~

13 ~~[(c)]~~ In addition to NFPA 59A §11.8, couplings [Couplings] used for connection of a hose or arm
14 shall be suitable for operating conditions and shall be designed for frequent coupling and uncoupling.

15 ~~[(d) Hoses shall be tested at least annually to the setting of the relief valve that protects the hose.]~~

16 ~~[(e) Hoses shall be visually inspected for damage or defects before each use and shall not be used~~
17 ~~if any damage or defect is found.]~~

18
19 §14.2128. Communications and Lighting. **REPEAL**

20
21 §14.2131. Fire Protection.

22 ~~[(a) Fire protection shall be provided for all LNG facilities, as determined by sound fire~~
23 ~~protection engineering principles, analysis of local conditions, hazards within the facility, and exposure to~~
24 ~~or from other property. The evaluation shall determine at a minimum type, quantity, and location of:]~~

25 ~~[(1) equipment necessary for the detection and control of fires, leaks, and spills of LNG,~~
26 ~~flammable refrigerants, or flammable gases;]~~

27 ~~[(2) equipment necessary for the detection and control of potential non-process and~~
28 ~~electrical fires;]~~

29 ~~[(3) the methods necessary for protection of the equipment and structures from the effects~~
30 ~~of fire;]~~

31 ~~[(4) fire protection water systems;]~~

32 ~~[(5) fire extinguishing and other fire control equipment;]~~

1 ~~[(6) the availability and duties of employees and the availability of local emergency-~~
2 ~~response organizations during an emergency; and]~~

3 ~~[(7) the protective equipment and special training needed by employees for their-~~
4 ~~emergency duties.]~~

5 ~~[(b) A detailed emergency response manual shall be prepared for potential emergency conditions.-~~
6 ~~The procedures shall include but not be limited to:]~~

7 ~~[(1) shut down or isolation of all or part of the equipment to ensure that the escape of gas-~~
8 ~~or liquid is promptly stopped or reduced as much as possible;]~~

9 ~~[(2) use of fire protection equipment;]~~

10 ~~[(3) notification of emergency response organizations and public authorities;]~~

11 ~~[(4) first aid; and]~~

12 ~~[(5) duties of employees.]~~

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

15 ~~[(d) Employees engaged in LNG activities shall be trained in emergency duties and procedures.-~~
16 ~~Refresher training shall be conducted at least once every two years.]~~

17 ~~[(e) Fire control measures shall be coordinated with the local fire and emergency response-~~
18 ~~organizations.]~~

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

23 ~~[(g) Maintenance on fire control equipment shall be scheduled so that a minimum of equipment is~~
24 ~~out of service at any one time and fire protection safety is not compromised. Access routes for movement-~~
25 ~~of fire control equipment to an LNG fueling facility shall be maintained at all times.]~~

26 ~~[(h) Fire extinguishing and other fire control systems shall follow the local fire marshal's-~~
27 ~~requirements and recommendations for the protection of specific hazards.]~~

28 ~~[(i) Dry chemical fire extinguishers suitable for extinguishing gas fires shall be provided at each-~~
29 ~~stationary LNG installation.]~~

30
31 §14.2134. Container Purging Procedures. **REPEAL**

32

1 §14.2137. Employee Safety and Training.

2 ~~[(a) Employees shall be advised of the hazards relative to LNG facility operations.]~~

3 ~~[(b) Protective clothing and equipment shall be provided to employees for both normal operations~~
4 ~~and emergency response.]~~

5 (a) ~~[(e)]~~ Employees who handle and dispense LNG shall be trained in proper handling, operating
6 duties, and procedures.

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

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

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

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

13 (4) standard first aid;

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

15 (6) good housekeeping practices;

16 (7) the emergency response plan; and

17 (8) evacuation and fire drills.

18 ~~[(e) Licensees or ultimate consumers shall retain employee safety training records for the past~~
19 ~~four years.]~~

21 §14.2140. Inspection and Maintenance. **REPEAL**

24 **SUBCHAPTER D. GENERAL RULES FOR LNG FUELING FACILITIES.**

26 §14.2301. Applicability. **[NO CHANGES]**

28 §14.2304. General Facility Design.

29 ~~[(a) LNG fueling facilities shall be designed with provisions for securing all equipment in~~
30 ~~accordance with §14.2101 of this title (relating to Uniform Protection Requirements).]~~

31 ~~[(b) Structures and support of LNG fueling facility equipment, piping, controls, and tanks shall be~~
32 ~~constructed of noncombustible material.]~~

1 ~~[(c) Dikes, grading, or diversion curbs shall be provided to prevent combustible or hazardous~~
2 ~~liquids from encroaching on the LNG refueling facility.]~~

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

6 ~~[(e) Instructions identifying the location and operation of emergency controls shall be~~
7 ~~conspicuously posted in the facility area.]~~

8 ~~[(f) LNG fueling facility containers, liquid impoundment areas, and points of transfer shall be~~
9 ~~located according to the distances specified in §14.2110 of this title (relating to LNG Container~~
10 ~~Installation Distance Requirements).]~~

11 ~~[(g) LNG fueling facility containers may be sited above or below grade. Soil susceptible to~~
12 ~~freezing from contact with containers shall be heated directly or protected with an air space.]~~

13 ~~[(h) Containers having outer jackets made of materials subject to corrosion shall be protected~~
14 ~~against corrosion.]~~

15 ~~[(i) Vehicles delivering LNG to a facility or vehicles being fueled from a facility shall not be~~
16 ~~considered ignition sources. Vehicles containing fuel fired equipment, such as recreational vehicles and~~
17 ~~eating trucks, shall be considered ignition sources unless the fuel fired equipment is shut off completely~~
18 ~~before the vehicle enters an area in which ignition sources are prohibited.]~~

19 ~~[(j) LNG fueling facilities which transfer LNG at night shall have permanent lighting at points of~~
20 ~~transfer and operation, including at least two lights with a total of at least two footcandles of power.]~~

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

24
25 §14.2307. Indoor Fueling. **REPEAL**

26
27 §14.2310. Emergency Refueling.

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

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

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

1 placarding requirements.

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

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

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

7 (c) Prior to the mobile refueling vehicle being placed into service, the licensee [~~or non-licensee~~]
8 shall file with AFS [LP Gas Operations] a drawing showing the mounting, type of container, water
9 capacity of the container, type of vehicle to be used, and the method of mounting. The vehicle shall not be
10 placed into service until AFS [LP Gas Operations] ensures that it complies with the applicable rules.

11 (d) Emergency refueling vehicles are not required to be registered with AFS [LP Gas-
12 Operations].

13
14 §14.2313. Fuel Dispensing Systems.

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

20 (b) All appurtenances [Appurtenances] and equipment placed into LNG service shall be certified,
21 marked, or listed by a nationally recognized laboratory such as Underwriters Laboratory (UL), Factory
22 Mutual (FM), CSA International or other such laboratories approved by AFS [Category 15, 20, or 50-
23 licensee] unless:

24 (1) the appurtenances or equipment are specifically prohibited for use by another section
25 of [~~the rules in~~] this chapter; or

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

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

31 (d) The licensee or operator of the appurtenance or equipment shall maintain [LP Gas Operations-
32 may require any] documentation sufficient to substantiate any claims made regarding the safety of any-

1 valves, fittings, and equipment and shall, upon request, furnish copies to AFS.

2 [~~(e) Drive-away protection shall be provided.~~]

3 [~~(f) Emergency shut-down devices shall be distinctly marked for easy recognition according to~~
4 ~~the requirements of Table 1 of §14.2101 of this title (relating to Uniform Protection Requirements) and~~
5 ~~shall activate a valve installed at the dispensing area that shuts off the power and gas supply to the~~
6 ~~dispensers. ESD devices shall be located as follows:]~~

7 [~~(1) For containers with water capacity of 93,240 gallons or less, an ESD device shall be~~
8 ~~located between 35 and 50 feet from the container.]~~

9 [~~(2) For containers with water capacity of 93,241 gallons or more, an ESD device shall be~~
10 ~~located between 60 and 75 feet from the container.]~~

11 (e) [~~(g)~~] Manually operated container valves shall be provided for each container.

12 (f) [~~(h)~~] Manually operated shutoff valves shall be installed in manifolds as close as practicable
13 to a container or group of containers.

14 [~~(i) The use of hoses or arms in a fueling installation is limited to:]~~

15 [~~(1) a vehicle fueling hose;]~~

16 [~~(2) an inlet connection to compression equipment; or]~~

17 [~~(3) a section of metallic hose not exceeding 36 inches in length in a pipeline to provide~~
18 ~~flexibility where necessary. Metallic hose shall be installed so that it will be protected against damage and~~
19 ~~be readily visible for inspection. The manufacturer's identification shall be retained for each section of~~
20 ~~metallic hose used.]~~

21 [~~(j) When a hose or arm of nominal three-inch diameter or larger is used for liquid transfer, or~~
22 ~~nominal four-inch diameter or larger is used for vapor transfer, an emergency shutoff valve shall be~~
23 ~~installed in the piping of the transfer system less than ten feet from the nearest end of the hose or arm. If~~
24 ~~the flow is away from the hose, a check valve may be used as the shutoff valve. If a liquid or vapor line~~
25 ~~has two or more legs, an emergency shutoff valve shall be installed in each leg.]~~

26 [~~(k) The fill line on storage containers shall be equipped with a backflow check valve to prevent~~
27 ~~discharge of LNG from the container in case of line, hose, or fitting rupture.]~~

28 [~~(l) A fueling connection and mating vehicle receptacle shall be used to transfer LNG or gas~~
29 ~~vapor to or from the vehicle.]~~

30 [~~(m) An interlock device shall be provided so that the hose coupling cannot be released while the~~
31 ~~transfer line is open. Interlock devices are not required for transports when transferring fuel to a stationary~~
32 ~~tank.]~~

1 ~~[(n) The maximum delivery pressure shall not exceed the maximum allowable working pressure~~
2 ~~of the vehicle and fuel tanks.]~~

3 ~~[(o) Where excess flow check valves are used, the closing flow shall be less than the flow rating~~
4 ~~of the piping system that would result from a pipeline rupture between the excess flow valve and the~~
5 ~~equipment downstream of the excess flow check valve.]~~

6
7 §14.2314. Removal from LNG Service.

8 (a) If AFS determines that any LNG container or installation constitutes an immediate danger to
9 the public health, safety, and welfare, AFS shall require the immediate removal of all LNG and/or the
10 immediate disconnection by a properly licensed company to the extent necessary to eliminate the danger.
11 This may include equipment or any part of the system including the service container. A warning tag shall
12 be attached by AFS until the unsafe condition is remedied. Once the unsafe condition is remedied, the tag
13 may be removed by an AFS inspector or by the licensee if authorized by AFS.

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

20
21 §14.2316. Filings Required for Installation of Fuel Dispensers. **REPEAL**

22
23 §14.2319. Automatic Fuel Dispenser Safety Requirements.

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

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

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

32 (d) In addition to NFPA 52 §10.4.1, automatic [Automatic] dispensers shall be protected from

1 damage by vehicle collision by fencing and guardrails installed in accordance with §14.2101 of this title
2 (relating to System [~~Uniform~~] Protection Requirements).

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

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

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

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

10 (i) LNG fuel storage installations which include automatic dispensers shall be equipped with an
11 emergency shut-down device for the entire LNG installation located at least 20 feet from the nearest
12 dispenser or storage area. The emergency shut-down device shall be distinctly marked for easy
13 recognition in compliance with the requirements of §14.2101 of this title [~~(relating to Uniform Protection~~
14 ~~Requirements)~~].

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

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

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

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

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

29
30 §14.2322. Protection of Automatic and Other Dispensers. **REPEAL**

31 §14.2325. LNG Transport Unloading at Fueling Facilities. **REPEAL**

32 §14.2328. Training, Written Instructions, and Procedures Required. **REPEAL**

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

5
6 §14.2401. General Provisions for Piping Systems and Components. [NO CHANGES]

7
8 §14.2404. Piping Materials. **REPEAL**

9 §14.2407. Fittings Used in Piping. **REPEAL**

10 §14.2410. Valves. **REPEAL**

11 §14.2413. Installation of Piping. **REPEAL**

12
13 §14.2416. Installation of Valves.

14 ~~[(a) Valves shall be installed to prevent leaking or malfunction due to freezing. Cryogenic liquid-~~
15 ~~valves shall be installed at an angle greater than 45 degrees from horizontal.]~~

16 ~~[(b) Isolation valves shall be provided on container, tank, and vessel connections, except for~~
17 ~~connections:]~~

18 ~~[(1) for relief valves. Shutoff valves are only permitted at connections for relief valves in~~
19 ~~accordance with ASME Code, Section VIII, Division 1, Paragraphs UG 125(d) and Appendix M,~~
20 ~~Paragraphs M 5 and M 6;]~~

21 ~~[(2) for liquid level alarms required by §14.2501 of this title (relating to Liquid Level~~
22 ~~Gauging); or]~~

23 ~~[(3) that are blind flanged or plugged.]~~

24 ~~[(c) Shutoff valves shall be located inside the impounding area as close as practicable to the~~
25 ~~containers, tanks, and vessels.]~~

26 ~~[(d) Internal valves shall be designed and installed so that any failure of the nozzle will be~~
27 ~~downstream of the seat of the internal valve itself.]~~

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

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

1 emergency shall be installed.

2 ~~[(g) Container connections larger than one-inch pipe size through which liquid can escape shall~~
3 ~~be equipped with:]~~

4 ~~[(1) a valve which closes automatically if exposed to fire; or]~~

5 ~~[(2) a remotely controlled, quick-closing valve which shall remain closed except during~~
6 ~~the operating period;]~~

7 ~~[(3) a fail-closed valve; or]~~

8 ~~[(4) a check valve on filling connections.]~~

9 (c) ~~[(h)]~~ ESD valves shall be single-purpose valves.

10 ~~[(i) Valves and valve controls shall be designed to permit operation under icing conditions, if~~
11 ~~such conditions are possible.]~~

12 ~~[(j) Powered controls shall be provided for emergency shutoff valves that would require excessive~~
13 ~~time to manually operate during an emergency or if the valve is eight inches or larger in size. A means for~~
14 ~~manual operation shall also be provided.]~~

15

16 §14.2419. Welding at Piping Installations. **REPEAL**

17 §14.2422. Pipe Marking and Identification. **REPEAL**

18 §14.2425. Pipe Supports. **REPEAL**

19 §14.2428. Inspection and Testing of Piping. **REPEAL**

20 §14.2431. Welded Pipe Tests. **REPEAL**

21 §14.2434. Purging of Piping Systems. **REPEAL**

22 §14.2437. Pressure and Relief Valves in Piping. **REPEAL**

23 §14.2440. Corrosion Control. **REPEAL**

24

25

26 **SUBCHAPTER F. INSTRUMENTATION AND ELECTRICAL SERVICES.**

27

28 §14.2501. Liquid Level Gauging. **REPEAL**

29 §14.2504. Pressure Gauges. **REPEAL**

30 §14.2507. Vacuum Gauges. **REPEAL**

31 §14.2510. Emergency Failsafe. **REPEAL**

32 §14.2513. Electrical Equipment. **REPEAL**

1 §14.2516. Electrical Grounding and Bonding. **REPEAL**

2
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4 **SUBCHAPTER G. ENGINE FUEL SYSTEMS.**

5
6 §14.2601. Applicability. **[NO CHANGES]**

7
8 §14.2604. System Component Qualification.

9 ~~[(a) Components in the engine compartment normally in contact with LNG shall be suitable for~~
10 ~~service over a range of temperatures of -260 degrees Fahrenheit to +250 degrees Fahrenheit. Other~~
11 ~~components not normally in contact with LNG shall be suitable for service over a range of -40 degrees~~
12 ~~Fahrenheit to +250 degrees Fahrenheit.]~~

13 ~~[(b) Components outside the engine compartment normally in contact with LNG shall be suitable~~
14 ~~for service over a range of temperatures from -260 degrees Fahrenheit to +180 degrees Fahrenheit. Other~~
15 ~~components not normally in contact with LNG shall be suitable for service over a range from -40 degrees~~
16 ~~Fahrenheit to +180 degrees Fahrenheit.]~~

17 ~~[(c)]~~ Fuel-carrying components (excluding service valves, tubing, and fittings) shall be labeled or
18 stamped with the following:

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

25
26 §14.2607. Vehicle Fuel Containers. **REPEAL**

27
28 §14.2610. Installation of Vehicle Fuel Containers.

29 (a) In addition to NFPA 52 §9.12.1.2, vehicle ~~[Vehicle]~~ fuel containers ~~[shall comply with the~~
30 ~~following specifications:]~~

31 ~~[(1) Fuel containers on vehicles other than school buses, mass transit, or other vehicles~~
32 ~~used in public transportation may be located within, below, or above the driver or passenger~~

1 compartments, provided all connections to the containers are external to or sealed and vented from those
2 compartments. The motor fuel containers installed on a special transit vehicle may be installed in the
3 passenger compartment, provided all connections to the containers are external to or sealed and vented
4 from those compartments.]

5 [(2) Fuel supply components and containers shall be mounted in a location to minimize
6 damage from collision. No part of a container or its appurtenances shall protrude beyond any part of the
7 vehicle at the point of installation.]

8 [(3) Fuel systems shall be installed with as much road or ground clearance as practicable,
9 but not less than the minimum road or ground clearance of the vehicle when loaded to its gross vehicle
10 weight rating. The minimum distance shall be measured from the lowest part of the fuel system.]

11 [(4) No portion of a fuel supply container or container appurtenance shall be located
12 ahead of the front axle or behind the rear bumper mounting face of a vehicle. Fuel container valves shall
13 be protected from physical damage using the vehicle structure, valve protectors, or a suitable metal
14 shield.]

15 [(5) Fuel supply containers located less than eight inches from the exhaust system shall
16 be shielded from direct heat.]

17 [(6) Mountings shall minimize fretting corrosion between the fuel container and the
18 mounting system by means of rubber insulators or other suitable means.]

19 [(7) Fuel containers shall not be installed where they would adversely affect the driving
20 characteristics of the vehicle.]

21 [(8) Fuel containers] on school buses, [or] mass transit vehicles, and other public
22 transportation vehicles shall be installed on the underside of the vehicle, except as specified in subsection
23 (c) of this section. Fuel containers on special transit vehicles shall be installed in a location which will not
24 interfere with vehicle operation.

25 [(9) Fuel containers, appurtenances, and connections may be enclosed in a shroud type
26 structure, provided it is securely attached to the container and liquid tight. The shroud access doors shall
27 be secured in place by fasteners such as wing nuts or spring loaded latches and shall not require the use of
28 tools for removal. The use of locks on shroud access doors is prohibited.]

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

31 [(1) Fuel supply container connections shall be external to or sealed and vented from the
32 driver and passenger compartments or any space containing radio transmitters or other spark producing

1 equipment.]

2 (1) [(2)] Container brackets shall be secured to the vehicle body, bed, or frame with
3 bolts, lock washers and nuts, or self-locking nuts of a size and strength capable of withstanding a static
4 force in any direction of eight times the weight of a full container for vehicles with gross vehicle weights
5 of 19,500 pounds or less, and four times the weight of a full container for vehicles with gross vehicle
6 weights of 19,501 pounds or more. Mounting brackets shall be marked with the manufacturer's name or
7 logo. If self-locking nuts are installed, they shall not be reused once they are removed. [~~Container~~
8 ~~mounting brackets shall prevent the container from jarring loose, slipping or rotating.~~]

9 [(3) ~~Fuel supply containers shall be secured in the mounting brackets by bolts, lock-~~
10 ~~washers, and nuts, or self locking nuts of a size and strength capable of withstanding a static force applied~~
11 ~~in any direction eight times the weight of the full container for vehicles with gross vehicle weights of~~
12 ~~19,500 pounds or less, and four times the weight of a full container for vehicles with gross vehicle~~
13 ~~weights of 19,501 pounds or more. If self locking nuts are installed, the nuts shall not be reused once they~~
14 ~~are removed.~~]

15 [(4) ~~The weight of the fuel container shall not be supported by the outlet, service valves,~~
16 ~~manifolds, or other fuel connections.~~]

17 (2) [(5)] Containers shall be secured to a school bus, mass transit, or special transit
18 vehicle frame excluding the floor by container fastenings or mounting brackets described in paragraph (1)
19 of this subsection [(b) ~~of this section~~]. The fastenings or brackets shall be secured to the frame, backing
20 plates, or other supporting structure without compromising the strength of that structure.

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

24 [(d) ~~Container markings shall be readable after a container is permanently installed on a vehicle.~~
25 ~~A portable lamp or mirror may be used to read markings.~~]

26 [(e) ~~Where an LNG container is substituted for the fuel container installed by the original~~
27 ~~manufacturer of the vehicle, whether or not that fuel container was for LNG, the LNG container shall~~
28 ~~either fit within the space in which the original fuel container was installed or comply with subsection (a)~~
29 ~~of this section.~~]

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

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§14.2613. Engine Fuel Delivery Equipment. **REPEAL**

§14.2616. Installation of Venting Systems and Monitoring Sensors. **REPEAL**

§14.2619. Installation of Piping.

~~[(a) Piping that carries fuel shall be fabricated to minimize vibration and shall be shielded or installed in a protected location to prevent damage from unsecured objects.]~~

~~(a) [(b) Fuel lines shall be mounted, braced, and supported to minimize vibration and protected against damage, corrosion, or breaking due to strain or wear.]~~ Fuel lines shall be supported at least every 21 to 27 inches.

~~[(c) Fuel lines passing through a panel shall be protected against abrasion by grommets or similar devices such as fittings, which shall snugly fit both the supply lines and the holes in the panel.]~~

~~[(d) Fuel lines shall have a minimum clearance of eight inches from the engine exhaust system or shall be shielded against direct heat.]~~

~~[(e) Piping or tubing shall pass through the floor of a vehicle directly beneath or adjacent to the container. If a branch line is required, the tee connection shall be in the main fuel line under the floor and outside the vehicle.]~~

~~[(f) Hydrostatic relief valves shall be installed in each section of piping or tubing in which LNG can be isolated between shutoff valves to relieve to a safe atmosphere the pressure which could develop from the trapped fuel. The pressure relief valve shall have a pressure not greater than the maximum allowable working pressure of the line it protects.]~~

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

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

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

~~(e) [(j)]~~ Joints or connections shall be located only in an accessible location.

~~[(k) Fuel connections between a tractor and trailer or other vehicle units are prohibited.]~~

§14.2622. Installation of Valves. **REPEAL**

1 §14.2625. Installation of Pressure Gauges.

2 ~~[(a) Pressure gauges located within driver or passenger compartments shall be installed so that no~~
3 ~~gas will flow through the gauge in the event of failure. Installed gauges shall be readily visible by the~~
4 ~~driver.]~~

5 [(b)] Pressure gauges installed outside driver or passenger compartments shall be equipped with
6 a limiting orifice, a shatter-proof dial lens, and a body relief.

7 ~~[(c) Gauges shall be securely mounted, shielded, and installed in a protected location to prevent~~
8 ~~damage from vibration and unsecured objects.]~~

9

10 §14.2628. Installation of Pressure Regulators. **REPEAL**

11 §14.2631. Wiring. **REPEAL**

12

13 §14.2634. Vehicle Fueling Connection.

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

16 ~~[(b) Fueling connections shall be designed for the pressure expected under normal conditions and~~
17 ~~corrosive conditions which might occur.]~~

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

20 ~~[(d) Refueling receptacles on engine fuel systems shall be firmly supported and shall:]~~

21 ~~[(1) receive the fueling connector and accommodate the maximum allowable working~~
22 ~~pressure of the vehicle fuel system;]~~

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

26 ~~[(3) have a different fueling connection for each pressure base vehicle fuel system.]~~

27

28 §14.2637. Signs and Labeling.

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

31 Figure: 16 TAC §14.2637(a) **(NO CHANGE.)**

32 ~~[(b) Vehicles shall be identified with a weather resistant diamond shaped label located on an~~

1 exterior vertical or near vertical surface on the lower right rear of the vehicle (excluding the bumper)
2 inboard of any other markings. The label shall be at least 4 3/4 inches by 3 1/4 inches. The marking shall
3 consist of a border and the capital letters, "LNG"; the letters shall be at least one inch tall, and be silver or
4 white reflective luminous material on a blue or black background.]

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

9
10 §14.2640. System Testing.

11 [(a) The complete LNG engine fuel system shall be leak tested.]

12 [(b) After installation, the piping and connections that are subject to container pressure shall be
13 checked with a non-ammonia soap solution or a leak detector instrument after the equipment is connected
14 and pressurized to its 90% of the maximum allowable working pressure of the container.]

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

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

22 [(c) If a vehicle is involved in an accident or fire causing damage to any part of the LNG engine
23 fuel system, the system shall be replaced or repaired as provided in these regulations and retested before it
24 is returned to service.]

25
26 §14.2643. Maintenance and Repair. [NO CHANGES]

27
28 **SUBCHAPTER H. LNG TRANSPORTS.**

29
30 §14.2701. DOT Requirements.

31 (a) This subchapter applies to LNG transports as defined in this chapter [transport containers]
32 used in the transportation and distribution of LNG.

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

3
4 §14.2704. Registration and Transfer of LNG Transports.

5 (a) A person who operates an LNG transport [~~as defined in this chapter~~], regardless of who owns
6 the transport, shall register the transport with AFS [~~LP Gas Operations~~] in the name or names under
7 which the operator conducts business in Texas prior to the transport being used in LNG service [~~in~~
8 ~~Texas~~].

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

10 (A) pay to AFS [~~LP Gas Operations~~] the \$270 registration fee for each LNG
11 transport [~~truck, semi-trailer, or other motor vehicle equipped with an LNG cargo tank~~]; ~~and~~

12 (B) file a properly completed LNG Form 2007;

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

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

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

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

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

20 (B) file [~~a properly completed~~] LNG Form 2007; and

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

23 (3) To re-register a currently registered unit, the licensee operating the unit shall pay a
24 \$300 annual registration fee.

25 (4) [~~3~~] To transfer a currently registered unit, the new operator [~~owner~~] of the transport
26 shall:

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

28 (B) file a properly completed LNG Form 2007.

29 (b) AFS [~~LP Gas Operations~~] may also request an operator registering or transferring any
30 transport have the transport tested by a test other than those required by §14.2707 of this title [~~unit to file~~
31 ~~a copy of the Manufacturer's Data Report or a copy of the DOT certification issued by the manufacturer~~
32 ~~and/or subframer who prepared the unit for road use, or any other documentation to show the container~~

1 complies with MC 338].

2 (c) When all registration or transfer requirements have been met, AFS [LP-Gas Operations] shall
3 issue LNG Form 2004 [~~or letter of authority~~] which shall be properly affixed in accordance with the
4 placement instructions on the form [~~as instructed on the decal or letter or maintained on the bobtail or~~
5 ~~transport trailer~~]. LNG Form 2004 [~~or letter of authority~~] shall authorize the licensee or ultimate consumer
6 to whom it has been issued and no other person to operate such unit in the transportation of LNG and to
7 fill the transport containers.

8 (1) A person shall not operate an LNG transport [~~unit or introduce LNG into a transport~~
9 ~~container~~] in Texas unless the LNG Form 2004 [~~or letter of authority~~] has been properly affixed [~~as~~
10 ~~instructed on the decal or the letter or maintained on the bobtail or transport trailer~~] or unless its operation
11 has been specifically approved by AFS [LP-Gas Operations].

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

14 (3) [~~2~~] LNG Form 2004 [~~or letter of authority~~] shall not be transferable by the person
15 to whom it has been issued, but shall be registered by any subsequent licensee or ultimate consumer prior
16 to the unit being placed into LNG service.

17 (4) [~~3~~] This subsection [~~section~~] shall not apply to:

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

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

25 (5) [~~4~~] AFS [LP-Gas Operations] shall not issue an LNG Form 2004 [~~or letter of~~
26 ~~authority~~] if AFS [LP-Gas Operations] or a Category 15 or 50 licensee determines that the transport is
27 unsafe for LNG service.

28
29 §14.2705. Replacement Decals [~~or Letters of Authority and Fees~~].

30 If an LNG Form 2004 decal [~~or letter of authority~~] on a transport [~~unit~~] currently registered with
31 AFS [LP-Gas Operations] is destroyed, lost, or damaged, the operator of that vehicle shall obtain a
32 replacement decal [~~or letter of authority~~] by filing LNG Form 2018B and a \$50 replacement fee with AFS

1 ~~[LP Gas Operations]~~.

2
3 §14.2707. Testing Requirements.

4 (a) Transports ~~[Transport container units]~~ required to be registered with AFS ~~[LP Gas~~
5 ~~Operations]~~ shall be tested at least once every five years by a Category 15, 20, or 50 licensee.

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

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

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

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

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

19
20 §14.2710. Markings.

21 (a) LNG transports ~~[and container delivery units in LNG service]~~ shall be marked on each side
22 and the rear with the name of the licensee or the ultimate consumer operating the unit. Such lettering
23 ~~[The name]~~ shall be legible and ~~[in letters]~~ at least two inches in height and in sharp color contrast to the
24 background. AFS ~~[LP Gas Operations]~~ will determine whether the name marked on the transport
25 ~~[marking]~~ is sufficient to properly identify the operator.

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

29 ~~[(b) Other markings shall comply with other DOT marking requirements.]~~

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

- 1
2 §14.2713. Pressure Gauge. [NO CHANGES]
3 §14.2716. Supports. [NO CHANGES]
4 §14.2719. Electrical Equipment and Lighting. [NO CHANGES]
5 §14.2722. Liquid Level Gauging Devices. [NO CHANGES]
6 §14.2725. Exhaust System. [NO CHANGES]
7 §14.2728. Extinguishers Required. [NO CHANGES]
8 §14.2731. Manifests. [NO CHANGES]
9 §14.2734. Transfer of LNG on Public Highways, Streets, or Alleys. [NO CHANGES]

10
11 §14.2737. Parking of LNG Transports and Container Delivery Units, and Use of Chock Blocks.
12 (a) LNG transport or container delivery units shall not be parked on any public street, highway, or
13 alley, except in an emergency, or when in connection with normal duties, meals, or rest stops. Such units
14 shall not be parked in a congested area and shall be parked a minimum distance of 50 feet from any
15 building, except buildings devoted exclusively to LNG activities ~~operations~~.

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

19
20 §14.2740. Uniform Protection Standards. [NO CHANGES]

21
22 §14.2746. Delivery of Inspection Report to Licensee.

23 The transport driver of any transport unit receiving an inspection report from AFS ~~[LP Gas~~
24 ~~Operations]~~ shall deliver that report to the licensee in whose name the transport unit is registered.

25
26 §14.2749. Issuance of LNG Form 2004 Decal. **REPEAL**

27
28
29 **SUBCHAPTER I. ADOPTION BY REFERENCE OF NFPA 52 (VEHICULAR GASEOUS FUEL**
30 **SYSTEMS CODE).**

31
32 §14.2801. Adoption by Reference of NFPA 52.

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

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

10 The pamphlets adopted by reference in NFPA 52 are:

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

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

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

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

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

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

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

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

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

25 (10) NFPA 302, Fire Protection Standard for Pleasure and Commercial Motor Craft,
26 2010 edition;

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

28 (12) NFPA 496, Standard for Purged and Pressurized Enclosures for Electrical

29 Equipment, 2013 edition; and

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

31
32 §14.2802. Clarification of Certain Terms Used in NFPA 52.

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

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

12
13 §14.2803. Sections in NFPA 52 Adopted with Additional Requirements or Not Adopted.

14 Table 1 of this section lists certain NFPA 52 sections which the Commission adopts with
15 additional requirements or does not adopt in order to address the Commission's rules in this chapter.
16 Figure: 16 TAC §14.2803

17
18
19 **SUBCHAPTER J. ADOPTION BY REFERENCE OF NFPA 59A (STANDARD FOR THE**
20 **PRODUCTION, STORAGE, AND HANDLING OF LIQUEFIED NATURAL GAS (LNG)).**

21
22 §14.2901. Adoption by Reference of NFPA 59A.

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

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

1 reference in NFPA 59A are:

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

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

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

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

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

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

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

10 (8) NFPA 20, Standard for the Installation of Stationary Pumps for Fire Protection, 2013
11 edition;

12 (9) NFPA 22, Standard for Water Tanks for Private Fire Protection, 2008 edition;

13 (10) NFPA 24, Standard for the Installation of Private Fire Service Mains and Their
14 Appurtenances, 2013 edition;

15 (11) NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-Based
16 Fire Protection Systems, 2011 edition;

17 (12) NFPA 30, Flammable and Combustible Liquids Code, 2012 edition;

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

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

21 (15) NFPA 58, Liquefied Petroleum Gas Code, 2011 edition;

22 (16) NFPA 59, Utility LP-Gas Plant Code, 2012 edition;

23 (17) NFPA 70, National Electrical Code, 2011 edition;

24 (18) NFPA 72, National Fire Alarm and Signaling Code, 2013 edition;

25 (19) NFPA 101, Life Safety Code, 2012 edition;

26 (20) NFPA 274, Standard Test Method to Evaluate Fire Performance Characteristics of
27 Pipe Insulation, 2009 edition;

28 (21) NFPA 385, Standard for Tank Vehicles for Flammable and Combustible Liquids,
29 2012 edition;

30 (22) NFPA 600, Standard on Industrial Fire Brigades, 2010 edition;

31 (23) NFPA 1221, Standard for the Installation, Maintenance, and Use of Emergency
32 Services Communications Systems, 2013 edition;

1 (24) NFPA 1901, Standard for Automotive Fire Apparatus, 2009 edition;

2 (25) NFPA 2001, Standard on Clean Agent Fire Extinguishing Systems, 2012 edition;

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

4
5 §14.2902. Clarification of Certain Terms Used in NFPA 59A.

6 (a) Authority having jurisdiction. As pertains to LNG activities in Texas, the phrase "authority
7 having jurisdiction" defined in NFPA 59A §3.2 and referenced in other NFPA publications shall be the
8 Railroad Commission of Texas or any of its divisions or employees, except with respect to the definitions
9 of "approved," "labeled," and "listed" in NFPA 59A §3.2.

10 (b) Engineering. The Commission does not adopt language in any NFPA 59A rule such as
11 "sound engineering practice," "accepted engineering practice," "good engineering practice," "sound
12 engineering design," or similar language that might be understood to mean or refer to the practice of
13 engineering. The omission of a specific NFPA 59A rule or other NFPA pamphlets containing such
14 language from the exceptions listed in this subchapter is inadvertent and shall not be read or understood
15 as requiring, allowing, or approving the unlicensed practice of engineering or any other professional
16 occupation requiring a license.

17
18 §14.2903. Sections in NFPA 59A Adopted with Additional Requirements or Not Adopted.

19 Table 1 of this section lists certain NFPA 59A sections which the Commission adopts with
20 additional requirements or does not adopt in order to address the Commission's rules in this chapter.
21 Figure: 16 TAC §14.2903

22
23 This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be
24 within the agency's authority to adopt.

25 Issued in Austin, Texas on October 20th , 2020.

26 Filed with the Office of the Secretary of State on October 20th , 2020.

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