

TITLE 16. ECONOMIC REGULATION
PART 1. RAILROAD COMMISSION OF TEXAS
CHAPTER 13. REGULATIONS FOR
COMPRESSED NATURAL GAS (CNG)
SUBCHAPTER A. SCOPE AND DEFINITIONS

§13.1. Applicability, Severability, and Retroactivity.

(a) The Regulations for Compressed Natural Gas in this chapter apply to the design, installation, and operation of compressed natural gas (CNG) systems and equipment, including those used for compression.

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

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

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

(e) This chapter shall not apply to:

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

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

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

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

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

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

(g) Vehicles and fuel supply containers excluded from the requirements of this chapter pursuant to subsection (f) of this section shall comply with the requirements of §13.24 of this title (relating to School Bus, Public Transportation, Mass Transit, and Special Transit Vehicle Installations and Inspections).

The provisions of this §13.1 adopted to be effective November 15, 1990, 15 TexReg 5934; amended to be

effective June 1, 1994, 19 TexReg 3168; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective July 28, 2003, 28 TexReg 5870; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

§13.3. Definitions.

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

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

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

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

(4) Automatic dispenser--A CNG dispenser which is operated by a member of the general public and which requires transaction authorization.

(5) Building--A structure with walls and a roof resulting in the structure being totally enclosed.

(6) Cascade storage system--Storage in multiple cylinders.

(7) Certificate holder--An individual:

(A) who has passed the required management-level or employee-level examination pursuant to §13.70 of this title (relating to Examination and Exempt Registration Requirements and Renewal) and paid applicable fees; or

(B) who holds a current examination exemption pursuant to §13.70 of this title.

(8) Certified--An individual who is authorized by the Commission to perform the CNG activities covered by the certification issued under §13.70 of this title.

(9) CNG--See "Compressed natural gas" in this section.

(10) CNG cargo tank--A container which complies with ASME or DOT specifications used to transport CNG for delivery.

(11) CNG cylinder--A cylinder or other container designed for use or used as part of a CNG system.

(12) CNG system--A system of safety devices, cylinders, piping, fittings, valves, compressors, regulators, dryers, gauges, relief devices, vents, installation fixtures, and other CNG equipment intended for use or used in any building or public place by the general public, or used in conjunction with a motor vehicle or mobile fuel system fueled by CNG, and any system or facilities designed to be used or used in the compression, sale, storage, transportation for delivery, or distribution of CNG in portable CNG cylinders, but does not include natural gas facilities,

equipment, or pipelines located upstream of the outlet of the natural gas meter.

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

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

(15) Company representative--The individual designated to the Commission by a license applicant or a licensee as the principal individual in authority and actively supervising the conduct of the licensee's CNG activities.

(16) Compressed natural gas--Natural gas primarily consisting of methane (CH₄) in gaseous state that is compressed and used, stored, sold, transported, or distributed for use by or through a CNG system.

(17) Container--A pressure vessel cylinder or cylinders permanently manifolded together used to store CNG.

(18) Cylinder service valve--A hand-wheel operated valve connected directly to a CNG cylinder.

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

(20) Dispensing installation--A CNG installation that dispenses CNG from any source by any means into fuel supply cylinders installed on vehicles or into portable cylinders.

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

(22) Flexible metal hose--Metal hose made from continuous tubing that is corrugated for flexibility and, if used for pressurized applications, has an external wire braid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(43) Rules examination--The Commission's written examination that measures an examinee's working

knowledge of Texas Natural Resources Code, Chapter 116, and the rules in this chapter.

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

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

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

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

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

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

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

The provisions of this §13.3 adopted to be effective November 15, 1990, 15 TexReg 5934; amended to be effective October 15, 1993, 18 TexReg 6455; amended to be effective June 1, 1994, 19 TexReg 3168; amended to be effective August 22, 1995, 20 TexReg 6017; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

§13.4. CNG Forms.

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

The provisions of this §13.4 adopted to be effective November 15, 1990, 15 TexReg 5934; amended to be effective October 15, 1993, 18 TexReg 6455; amended to be effective June 1, 1994, 19 TexReg 3168; amended

to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.15. Penalty Guidelines and Enforcement.

(a) Policy. Improved safety and environmental protection are the desired outcomes of any enforcement action. Encouraging licensees, certificate holders, and registered manufacturers to take appropriate voluntary corrective and future protective actions once a violation has occurred is an effective component of the enforcement process. Deterrence of violations through penalty assessments is also a necessary and effective component of the enforcement process. A rule-based enforcement penalty guideline to evaluate and rank CNG-related violations is consistent with the central goal of the Commission's enforcement efforts to promote compliance. Penalty guidelines set forth in this section will provide a framework for more uniform and equitable assessment of penalties throughout the state, while also enhancing the integrity of the Commission's enforcement program.

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

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

(d) Factors considered. The amount of any penalty requested, recommended, or finally assessed in an

enforcement action will be determined on an individual case-by-case basis for each violation, taking into consideration the following factors:

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

(e) Typical penalties. Regardless of the method by which the typical penalty amount is calculated, the total penalty amount will be within the statutory limit. Typical penalties for violations of Texas Natural Resources Code, Chapter 116; of rules, orders, licenses, registrations, permits, or certificates relating to CNG safety adopted under those provisions; and of regulations, codes, or standards that the Commission has adopted by reference, are set forth in Table 1.

Figure: 16 TAC §13.15(e) [See Figures at end of this document.]

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

Figure: 16 TAC §13.15(f) [See Figures at end of this document.]

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

Figure 1: 16 TAC §13.15(g) [See Figures at end of this document.]

Figure 2: 16 TAC §13.15(g) [See Figures at end of this document.]

(h) Penalty reduction for settlement before hearing. The recommended monetary penalty for a violation may be reduced by up to 50% if the person charged agrees to a settlement before the Commission conducts an administrative hearing to prosecute a violation. Once the hearing is convened, the opportunity for the person charged to reduce the basic monetary penalty is no longer available. The reduction applies to the basic

penalty amount requested and not to any requested enhancements.

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

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

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

Figure: 16 TAC §13.15(k) [See Figures at end of this document.]

The provisions of this §13.15 adopted to be effective August 27, 2012, 37 TexReg 6570; amended to be effective February 15, 2021, 46 TexReg 1035.

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

§13.21. Applicability.

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

The provisions of this §13.21 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective October 15, 1993, 18 TexReg 7157; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.22. Odorization.

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

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

The provisions of this §13.22 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.23. Installation and Maintenance.

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

The provisions of this §13.23 adopted to be effective February 15, 2021, 46 TexReg 1035.

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

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

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

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

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

another complete inspection before the vehicle may be placed into CNG service.

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

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

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

The provisions of this §13.24 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective October 15, 1993, 18 TexReg 6456; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.25. Filings Required for Stationary CNG Installations.

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

(b) Installations with an aggregate storage capacity of 84,500 standard cubic feet or more. The storage capacity of each container is based on the container's operating pressure.

(1) For installations with an aggregate storage capacity of 84,500 standard cubic feet or more, the licensee shall submit the following information to AFS at least 30 days prior to construction:

(A) CNG Form 1500;

(B) CNG Form 1500A with all applicable documents;

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

(i) the facility's property boundaries;

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

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

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

- (i) the location, types, and sizes of all CNG containers and compression and dispensing equipment already on site or proposed to be on site;
- (ii) the distances from the containers, compression equipment, dispensing equipment, and material handling equipment to property lines, buildings on the same property, any electric transmission lines, and railroads. If the area where the container and/or compression equipment will be installed is a leased area or utility easement, the site plan shall indicate the boundaries of the leased area or utility easement, regardless of the size of the property in which the lease or easement lies;
- (iii) any known potential hazards;
- (iv) the location of CNG dispensers and their distance from any proposed container (the nearest container if more than one), property lines, buildings on the same property, roadways, and railroad track centerlines;
- (v) the location of the nearest public sidewalk, highway, street, or road and its distance to containers and equipment;
- (vi) the location of all sources of ignition;
- (vii) the location of other types of aboveground fuel containers, the type of fuel stored, and the distance to CNG containers and dispensing equipment; and
- (viii) the location of other types of fuel dispensers, the type of fuel dispensed, and the distance to CNG containers and dispensing equipment;

(E) a nonrefundable fee of \$50 for the initial application, or a nonrefundable fee of \$30 for a resubmission; and

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

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

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

installation based on one or more of the following factors:

- (A) nature and density of the population or occupancy of structures within 500 feet of the proposed or existing container locations;
- (B) nature of use of property located within 500 feet of the CNG installation;
- (C) type of activities on the installation's premises;
- (D) potential sources of ignition that might affect a CNG leak;
- (E) existence of dangerous or combustible materials in the area that might be affected by an emergency situation;
- (F) any known potential hazards or other factors material to the public health, safety, and welfare.

(4) AFS shall notify the applicant in writing outlining its findings.

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

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

(5) If the application is administratively denied:

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

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

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

- (ii) a physical inspection of the installation indicates that it is not installed in compliance with the

submitted plat drawing for the installation, the rules in this chapter, or the statutes of the State of Texas; or

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

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

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

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

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

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

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

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

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

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

(c) Commercial installations with an aggregate storage capacity of less than 84,500 standard cubic feet. The storage capacity of each container is based on the container's operating pressure.

(1) Within 30 calendar days following the completion of a commercial container installation, the licensee shall submit CNG Form 1501 to AFS stating:

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

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

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

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

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

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

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

(d) Physical inspection of stationary installations.

(1) Aggregate storage capacity of 84,500 standard cubic feet or more. The applicant shall notify AFS in writing when the installation is ready for inspection.

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

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

(2) Aggregate storage capacity of less than 84,500 standard cubic feet. After receipt of CNG Form 1501, AFS shall conduct an inspection as soon as possible to verify the installation described complies with the rules in this chapter. The facility may be operated prior to inspection if the facility fully complies with the rules in this chapter. If the initial inspection at a commercial installation results in the citation of non-compliance items, AFS may require that the subject container, including any piping, appliances, appurtenances, or equipment connected to it be immediately removed from CNG service until the applicant corrects the non-compliance items.

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

(4) In the event an applicant has requested an inspection and AFS' inspection identifies non-compliance items requiring modifications by the applicant, AFS may assess an inspection fee to cover

the costs associated with any additional inspection, including mileage and per diem rates set by the legislature.

The provisions of this §13.25 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective October 15, 1993, 18 TexReg 6456; amended to be effective August 30, 1999, 24 TexReg 6733; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

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

(a) Notice of proposed stationary CNG installations.

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

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

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

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

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

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

(b) Objections to proposed stationary CNG installations.

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

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

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

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

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

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

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

(c) Hearings on stationary CNG installations.

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

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

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

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

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

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

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

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

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

The provisions of this §13.26 adopted to be effective February 15, 2021, 46 TexReg 1035.

§13.33. Reporting Unsafe CNG Activities.

(a) A person may report any unsafe or noncompliant CNG activities to AFS by mail, telephone, email, or fax. When possible, the person shall make the report using CNG Form 1022. Within five business days of receipt of such report, AFS shall notify the alleged noncompliant party in writing regarding the report and specify the reported noncompliant installations and/or activities.

(b) The Commission may release the person's name in accordance with applicable open records procedures.

(c) A person who reports unsafe CNG activities may be called to testify at a Commission hearing if one is necessary following the initiation of an enforcement action.

The provisions of this §13.33 adopted to be effective February 7, 2023, 48 TexReg 507

§13.34. Vehicle Fueling Connection.

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

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

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

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

The provisions of this §13.34 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective June 1, 1994, 19 TexReg 3168; amended to be effective February 15, 2021, 46 TexReg 1035.

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

(a) In addition to NFPA 52 §4.3 and for any alternate design used for installations subject to NFPA 55 requirements, a person may apply for an exception to the provisions of this chapter by filing CNG Form 1025

along with supporting documentation and a \$50 filing fee with AFS.

(b) The application shall contain the following:

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

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

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

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

(A) a site drawing;

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

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

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

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

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

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

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

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

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

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

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

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

(A) the Texas Department of Public Safety; and

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

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

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

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

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

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

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

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

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

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

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

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

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

The provisions of this §13.35 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective October 15, 1993, 18 TexReg 6456; amended to be effective August 30, 1999, 24 TexReg 6734; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021.

§13.36. Report of CNG Incident/Accident.

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

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

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

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

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

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

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

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

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

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

(1) date and time of the incident;

(2) name of reporting operator;

(3) phone number of operator;

(4) location of leak or incident;

- (5) personal injuries and/or fatalities;
 - (6) whether fire, explosion, or gas leak has occurred;
 - (7) status of gas leak or other immediate hazards;
 - (8) other significant facts relevant to the incident;
- and

(9) whether immediate assistance from AFS is requested.

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

(d) Following the initial telephone report, the licensee who made the telephonic report shall submit CNG Form 1020 to AFS. The form shall be postmarked within 14 calendar days of the date of initial notification to AFS, or within five business days of receipt of the fire department report, whichever occurs first, unless AFS grants authorization for a longer period of time when additional investigation or information is necessary.

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

The provisions of this §13.36 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021.

§13.37. Appurtenances and Equipment.

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

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

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

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

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

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

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

The provisions of this §13.37 adopted to be effective February 15, 2021, 46 TexReg 1035.

§13.38. Removal from CNG Service.

(a) In addition to NFPA 55 §§7.1.14 and 7.1.15 and for any installations subject to NFPA 52 requirements, if AFS determines that any CNG cylinder or installation constitutes an immediate danger to the public health, safety, and welfare, AFS shall require the immediate removal of all CNG and/or the immediate disconnection by a properly licensed company to the extent necessary to eliminate the danger. This may include equipment or any part of the system including the service container. A warning tag shall be attached by AFS until the unsafe condition is remedied. Once the unsafe condition is remedied, the tag may be removed by an AFS inspector or by the licensee if authorized by AFS.

(b) If the affected entity disagrees with the removal from service and/or placement of a warning tag, the entity may request a review of AFS' decision within 10 calendar days. Within 10 business days, AFS shall notify such entity of its finding in writing, stating the deficiencies. If the entity disagrees, the entity may request or AFS on its own motion may request a

hearing. Such installation shall be brought into compliance or removed from service until such time as the final decision is rendered by the Commission.

The provisions of this §13.38 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.39. Filling Unapproved Containers Prohibited.

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

The provisions of this §13.39 adopted to be effective November 15, 1990, 15 TexReg 5936; amended to be effective February 15, 2021, 46 TexReg 1035.

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

(a) In addition to NFPA 52 §5.4.5.1 and NFPA 55 §7.1.6.1:

(1) Compressed natural gas (CNG) shall not be introduced into any ASME container unless the container is equipped with an original nameplate or at least one of the following nameplates permanently attached to the container or has the required information stamped directly on the vessel.

(A) A duplicate nameplate is an additional ASME container nameplate issued by the original manufacturer with duplicate information as the original nameplate and clearly marked as a duplicate nameplate but installed in a remote location.

(B) A modification (or alteration) nameplate is a nameplate issued and affixed by an ASME Code facility including only partial information applicable to a modification or alteration performed on that container.

(C) A replacement nameplate is a nameplate including the identical information as the original nameplate and identified as a replacement nameplate, but issued and affixed by the original manufacturer or its successor company or companies when the original nameplate is lost or illegible.

(2) Nameplates on ASME containers manufactured on or after November 1, 1994, shall be stainless steel.

(3) If the nameplate is attached, it shall be attached in a manner that will minimize corrosion of the

nameplate or its attachments or that will not contribute to the corrosion of the container.

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

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

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

(2) the name and address of the manufacturer;

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

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

(5) the thickness of the material used in both the shell and heads;

(6) the overall length of the container, the outside diameter of the container, and the dish radius of the heads;

(7) the serial number of the container; and

(8) the date of manufacture.

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

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

(1) name of the container manufacturer;

(2) manufacturer's serial number;

(3) working pressure; and

(4) capacity.

(f) AFS may remove a container from CNG service or require ASME acceptance of a container at any time if AFS determines that the nameplate or stamped information, in any form defined in subsection (a) of this section, is loose, unreadable, or detached, or if it appears to be tampered with or damaged in any way and does not contain at a minimum the items defined in subsection (c) or (e) of this section as applicable.

The provisions of this §13.40 adopted to be effective June 1, 1994, 19 TexReg 3169; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

SUBCHAPTER C. CLASSIFICATION, REGISTRATION, AND EXAMINATION

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

(a) A prospective licensee may apply to AFS for one or more licenses specified in subsection (b)(1) - (7) of this section. Fees required to be paid by subsection (b)(1) - (7) of this section shall be paid at the time of application or renewal.

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

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

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

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

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

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

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

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

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

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

subsection (p) of this section and §13.69 of this title (relating to Registration and Transfer of CNG Cargo Tanks or Delivery Units).

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

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

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

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

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

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

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

(i) Licenses or manufacturer registrations issued under this chapter expire one year after issuance at midnight

on the last day of the month previous to the month in which they are issued.

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

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

(1) a properly completed CNG Form 1001 listing all names under which CNG related activities requiring licensing are to be conducted and the applicant's properly qualified company representative, and the following forms or documents as applicable:

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

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

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

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

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

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

(2) payment for all applicable fees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(n) Applications for license or registration must include a 24-hour emergency telephone number.

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

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

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

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

(p) For license and manufacturer registration renewals:

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

(2) The renewal notice shall include copies of applicable CNG Forms 1001, 1001A, and 1007, 1007A or CNG Form 1001M showing the information currently on file.

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

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

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

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

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

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

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

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

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

by the appropriate CNG company representative designated on CNG Form 1001.

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

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

(r) Repair to a US DOT cylinder or cargo tank is defined in 49 CFR §§180.203, 180.403 and 180.413. Changes made to or maintenance of a cylinder or cargo tank excluded from the definition of repair in 49 CFR §§180.203, 180.403 and 180.413 do not require a license.

The provisions of this §13.61 adopted to be effective June 13, 1995, 20 TexReg 3984; amended to be effective August 30, 1999, 24 TexReg 6733; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

§13.62. Insurance Requirements.

(a) A licensee or registered manufacturer shall not perform any activity authorized by its license or registration under §13.61 of this title (relating to License Categories, Container Manufacturer Registration, Fees, and Application for Licenses,

Manufacturer Registrations, and Renewals) unless insurance coverage required by this section is in effect. CNG licensees, registered manufacturers, or applicants for license or manufacturer registration shall comply with the minimum amounts of insurance specified in Table 1 of this section, with the self-insurance requirements in §13.63 of this title (relating to Self-Insurance Requirements), or the irrevocable letter of credit requirements in §13.64 of this title (relating to Irrevocable Letter of Credit), if applicable. Registered manufacturers are not eligible for self-insurance. Before AFS grants or renews a manufacturer registration, an applicant for manufacturer registration shall submit the documents required by paragraph (1) of this subsection. Before AFS grants or renews a license, an applicant for license shall submit:

Figure: 16 TAC §13.62(a) *[See Figures at end of this document.]*

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

(2) properly completed documents demonstrating the applicant's compliance with the self-insurance requirements in §13.63 of this title; or

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

(b) A licensee, applicant for license, or an ultimate consumer that does not operate or contemplate operating a motor vehicle equipped with a CNG cargo container or does not transport or contemplate transporting CNG by vehicle in any manner may file CNG Form 1997B in lieu of filing motor vehicle bodily injury and property damage insurance form, if this certificate is not otherwise required. The licensee or applicant for a license shall file the required insurance form with AFS before operating a motor vehicle equipped with a CNG cargo container or transporting CNG by vehicle in any manner.

(c) A licensee, registered manufacturer, or applicant for a license or manufacturer registration that does not engage in or contemplate engaging in any activities that would be covered by general liability insurance may file CNG Form 1998B in lieu of filing a general liability insurance form. The licensee, registered manufacturer, or applicant for a license or manufacturer registration shall file the required insurance form with AFS before engaging in any activities that require general liability insurance.

(d) A licensee or applicant for license that does not employ or contemplate employing anyone to be

engaged in CNG related activities in Texas may file CNG Form 1996B in lieu of filing a workers' compensation insurance form, including employer's liability insurance or alternative accident and health insurance coverage. The licensee or applicant for a license shall file the required insurance form with AFS before hiring any person as an employee engaged in CNG related work.

(e) A licensee, registered manufacturer, or applicant for a license or manufacturer registration that does not engage in or contemplate engaging in any CNG activities that would be covered by completed operations or products liability insurance, or both, may file CNG Form 1998B in lieu of a completed operations and/or products liability insurance form. The licensee, registered manufacturer, or applicant for a license or manufacturer registration shall file the required insurance form with AFS before engaging in any activities that require completed operations and/or products liability insurance.

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

(g) Each licensee or registered manufacturer shall file CNG Form 1999 or other written notice with AFS at least 30 calendar days before the cancellation of any insurance coverage. The 30-day period commences on the date the notice is actually received by AFS.

(h) Each licensee or registered manufacturer shall promptly notify AFS of any change in insurance coverage or insurance carrier by filing a revised Acord™ form; other form approved by the Texas Department of Insurance that has been prepared and signed by the insurance carrier containing all required information; or documents demonstrating the applicant's compliance with the self-insurance requirements set forth in §13.63 of this title. Failure to promptly notify AFS of a change in the status of insurance coverage or insurance carrier may result in an enforcement action and an administrative penalty.

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

The provisions of this §13.62 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective October 15, 1993, 18 TexReg 6457; amended to be effective November 29, 1993, 18 TexReg 8457; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective November 12, 2007, 32 TexReg 8127; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.63. Self-Insurance Requirements.

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

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

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

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

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

(3) the applicant presents evidence that it meets the requirements for motor carrier self-insurance

promulgated by the Texas Department of Transportation.

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

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

(e) Duration of self-insurer status. AFS may approve the applicant as a self-insurer for any specific time period, or for an indefinite period until revoked by AFS.

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

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

The provisions of this §13.63 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective November 29, 1993, 18 TexReg 8457; amended to be effective June 5, 2006, 31

TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.64. Irrevocable Letter of Credit.

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

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

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

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

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

The provisions of this §13.64 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.66. Limitation/Avoidance of Licensee Liability.

(a) A compressed natural gas (CNG) licensee may not limit or avoid its liability or that of its insurer for damages proximately caused by any negligent act or acts of the licensee in handling CNG.

(b) An attempt to limit or avoid liability before the negligent act or acts, through indemnity clauses or otherwise, shall be null and void.

(c) This section does not apply to negotiations and/or settlements made subsequent to the recognition by the parties to a contract of the licensee's negligent act or acts.

(d) To the extent that any damage occurring during or subsequent to any of the following acts does not proximately result from any negligent act of the licensee, the licensee may limit liability based on the following:

(1) unauthorized, unsafe, or improper applications of CNG and/or CNG systems or equipment by any user or other person;

(2) any use or operation of CNG and/or CNG systems or equipment contrary to the specific representations made by any user or other person to a CNG licensee during or preceding installations or servicing of such CNG systems or equipment and relied upon by such CNG licensee in selecting, designing, installing, or servicing such systems or equipment; or

(3) any modification, change, installation, alteration, tampering, or other action by any unlicensed person, to or upon any CNG system or equipment.

The provisions of this §13.66 adopted to be effective November 15, 1990, 15 TexReg 5941.

§13.67. Changes in Ownership, Form of Dealership, or Name of Dealership.

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

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

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

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

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

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

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

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

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

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

(5) any other forms required by AFS.

(d) Company representative and operations supervisor. In all changes of ownership, form of dealership, or name of dealership, the resulting entity shall have a properly certified company representative

for the license and an operations supervisor, if required, at each outlet and as specified in §13.72 of this title (relating to Designation and Responsibilities of Company Representative and Operations Supervisor).

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

The provisions of this §13.67 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.68. CNG Cargo Tank Requirements.

(a) Applicability.

(1) This section applies to transport containers constructed under special permit from the Department of Transportation (DOT) for the transportation of CNG.

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

(3) Licensees and ultimate consumers shall comply with other DOT or motor vehicle requirements, if applicable. In addition, transports shall comply with the applicable sections of 49 CFR, the Federal Motor Vehicle Safety Standards, and any other applicable regulations.

(b) Testing Requirements. Each transport container unit required to be registered with AFS shall be tested in accordance with the special permit under which it was constructed, relating to requirements for test and inspection. The tests shall be conducted by any individual authorized by the United States Department of Transportation through a DOT "CT" number to conduct such tests. This section shall not apply to the initial transfer of unregistered units that are tested and transferred from another state. If the test results show any unsafe condition, or if the transport unit does not comply with the special permit, the transport container unit shall be immediately removed from CNG service and shall not be returned to CNG service until all necessary repairs have been made and AFS authorizes in writing its return to service.

(c) Markings. CNG transports and container delivery units shall be marked on each side and the rear with the name of the licensee or the ultimate consumer operating the unit. Such lettering shall be legible and at least two inches in height and in sharp color contrast to the background. AFS shall determine whether the name marked on the unit is sufficient to properly identify the licensee or ultimate consumer operating the unit.

The provisions of this §13.68 adopted to be effective February 7, 2023, 48 TexReg 507

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

(a) A person who operates a transport equipped with CNG cargo tanks or any container delivery unit, regardless of who owns the transport or unit, shall register such transport or unit with AFS in the name or names under which the operator conducts business in Texas prior to the unit being used in CNG service.

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

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

(B) file a properly completed CNG Form 1007;

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

(D) file a copy of the most recent test required by §13.68 of this title (relating to CNG Cargo Tank Requirements).

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

(A) pay to AFS the \$270 registration fee for each unit; and

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

(3) To register a CNG cargo tank or any container delivery unit which was previously registered in Texas but for which the registration has expired, the operator of the unit shall:

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

(B) file a properly completed CNG Form 1007 for cargo tanks or CNG Form 1007A for container delivery units; and

(C) for cargo tanks, file a copy of the latest test results required by §13.68 of this title if an expired unit has not been used in the transportation of CNG for over one year, or if a current test has not been filed with AFS.

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

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

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

(C) for cargo tanks, file a copy of the latest test results required by §13.68 of this title if one has not been filed with AFS.

(5) To re-register a currently registered unit, the licensee operating the unit shall:

(A) pay a \$270 annual registration fee;

(B) file CNG Form 1007 for cargo tanks or CNG Form 1007A for container delivery units or the truck list provided with licensee's renewal notice; and

(C) for cargo tanks file a copy of the latest test results required by §13.68 of this title if one has not been filed with AFS.

(b) When all registration or transfer requirements have been met, AFS shall issue CNG Form 1004 which shall be properly affixed in accordance with the placement instructions on the form. CNG Form 1004 shall authorize the licensee or ultimate consumer to whom it has been issued and no other person to operate such unit in the transportation of CNG and to fill the transport containers.

(1) A person shall not operate a CNG transport or cylinder delivery unit in Texas unless the CNG Form 1004 has been properly affixed or unless its operation has been specifically approved by AFS.

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

(3) CNG Form 1004 shall not be transferable by the person to whom it has been issued, but shall be registered by any subsequent licensee or ultimate consumer prior to the unit being placed into CNG service.

(4) This subsection shall not apply to:

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

(B) a person who introduces a maximum of 500 cubic feet of CNG into a newly constructed transport container when such container will provide the motor fuel to the chassis engine for the purpose of allowing the unit to reach its destination.

(5) AFS shall not issue a CNG Form 1004 if AFS or a Category 1 or 4 licensee determines that the transport is unsafe for CNG service.

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

The provisions of this §13.69 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective June 13, 1995, 20 TexReg 3984; amended to be effective August 30, 1999, 24 TexReg 6733; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

§13.70. Examination and Exempt Registration Requirements and Renewals.

(a) Requirements and application for a new certificate.

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

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

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

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

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

(b) Rules examination.

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

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

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

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

(A) a completed CNG Form 1016; and

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

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

(A) Dates and locations of available Commission CNG examinations may be obtained on the

Commission's web site. Examinations may be administered:

- (i) at the Commission's AFS Training Center in Austin; and
- (ii) at other designated times and locations around the state; and
- (iii) through an online testing or proctoring service.

(B) Individuals or companies may request in writing that examinations be given in their area. AFS shall schedule examinations at its discretion.

(C) Exam fees.

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

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

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

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

(v) Beginning February 7, 2023, individuals who register for an examination to be administered by a testing or proctoring service shall pay any fee required by the testing or proctoring service in addition to paying the examination fee to the Commission.

(D) Time limits.

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

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

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

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

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

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

(1) Employee-level examinations:

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

(B) The Delivery Truck Driver examination qualifies an individual to operate a cargo tank, load and unload CNG and connect and disconnect transfer hoses, and operate a cylinder delivery unit.

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

(2) Management-level examinations:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Trainees.

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

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

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

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

(g) General installers and repairmen exemption.

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

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

(B) submits a completed CNG Form 1016B;

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

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

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

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

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

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

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

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

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

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

(h) Requirements for certificate holder renewal.

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

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

(3) Certificate holders shall pay the nonrefundable \$25 annual certificate renewal fee to AFS on or before May 31 of each year. Individuals who hold more than one certificate shall pay only one annual renewal fee.

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

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

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

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

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

The provisions of this §13.70 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective October 15, 1993, 18 TexReg 6457; amended to be effective August 30, 1999, 24 TexReg 6733; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 9, 2003, 28 TexReg 4416; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective October 29, 2007, 32 TexReg 7677; amended to be effective February 1, 2008, 33 TexReg 141; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

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

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

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

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

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

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

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

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

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

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

(1) If AFS finds by means including, but not limited to, inspection, review of required documents submitted, or complaint by a member of the general public or any other person, a probable or actual violation of or

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

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

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

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

(1) If a licensee, registered manufacturer, or certificate holder disagrees with the determination of AFS under this section, that licensee or certified individual may request a public hearing on the matter to be conducted as specified in Chapter 1 of this title (relating to Practice and Procedure). The request shall be in writing, shall refer to the specific rules or statutes the person claims were met, and shall be received by AFS within 30 calendar days of the person's receipt of the notice of violation or noncompliance.

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

The provisions of this §13.71 adopted to be effective October 15, 1993, 18 TexReg 6457; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.72. Designation and Responsibilities of Company Representatives and Operations Supervisors.

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

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

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

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

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

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

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

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

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

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

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

(b) A company representative shall:

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

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

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

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

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

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

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

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

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

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

The provisions of this §13.72 adopted to be effective June 13, 1995, 20 TexReg 3984; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.73. Employee Transfers.

(a) A licensee or ultimate consumer shall notify AFS when a certificate holder or individual with an examination exemption is hired by filing CNG Form 1016A and a nonrefundable \$10 fee with AFS, or in lieu of CNG Form 1016A, submit the \$10 fee and a written notice including:

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

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

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

The provisions of this §13.73 adopted to be effective August 30, 1999, 24 TexReg 6733; amended to be effective October 22, 2001, 26 TexReg 8342; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective February 1, 2008, 33 TexReg 141; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.75. Franchise Tax Certification and Assumed Name Certificate.

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

(b) All applicants for license or manufacturer registrations, or their corresponding renewals shall list

on CNG Form 1001 or CNG Form 1001M all names under which CNG related activities requiring licensing or registration as a container manufacturer are to be conducted. Any company performing CNG activities under an assumed name ("DBA" or "doing business as") shall file with AFS copies of the assumed name certificates which are required to be filed with the respective county clerk's office and/or the Office of the Secretary of State.

The provisions of this §13.75 adopted to be effective October 15, 1993, 18 TexReg 6458; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.76. Military Fee Exemption.

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

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

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

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

(c) To receive a military fee exemption, an applicant for a fee exemption shall file with the Commission CNG Form 1035 and any documentation required by this subsection.

(1) A military service member or military veteran whose service, training, or education meets the Commission's requirements for licensing or certification shall submit the following documentation with CNG Form 1035:

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

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

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

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

(2) A military service member or military veteran who holds a current license issued by another jurisdiction with licensing requirements substantially equivalent to the Commission's requirements in this chapter shall submit the following documentation with CNG Form 1035:

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

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

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

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

(3) A military spouse who holds a current license issued by another jurisdiction with licensing requirements substantially equivalent to the Commission's requirements in this chapter shall submit the following documentation with CNG Form 1035:

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

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

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

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

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

(d) The Commission shall review CNG Form 1035 and required documentation to determine if the requirements for the fee exemption have been met and shall notify the applicant of the determination in writing within 30 days.

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

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

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

The provisions of this §13.76 adopted to be effective January 4, 2016, 41 TexReg 239.

§13.80. Requests for CNG Classes.

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

The provisions of this §13.80 adopted to be effective June 5, 2006, 31 TexReg 4604; amended to be effective February 15, 2021, 46 TexReg 1035.

SUBCHAPTER D. CNG COMPRESSION, STORAGE, AND DISPENSING SYSTEMS

§13.91. Applicability.

This subchapter applies to the design, construction, installation, and operation of cylinders, pressure vessels, compression equipment, buildings and structures, and associated equipment used for stationary compressed natural gas (CNG) installations.

The provisions of this §13.91 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective June 1, 1994, 19 TexReg 3170; amended to be effective February 7, 2023, 48 TexReg 507.

§13.93. System Protection Requirements.

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

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

(1) Fencing material shall be chain link type with wire at least 12-1/2 American wire gauge in size.

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

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

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

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

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

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

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

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

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

(1) Vertical supports for guardrails shall be at least three-inch Schedule 40 steel pipe, or other material with equal or greater strength. The vertical supports shall be capped on the top or otherwise protected to prevent the entrance of water or debris into the guardpost, anchored in concrete at least 18 inches below the ground, and rise at least 30 inches above the ground. Supports shall be spaced four feet apart or less.

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

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

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

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

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

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

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

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

Figure: 16 TAC §13.93(g) *[See Figures at end of this document.]*

The provisions of this §13.93 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be

effective June 1, 1994, 19 TexReg 3170; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective December 24, 2012, 37 TexReg 9917; amended to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507.

§13.106. Maintenance.

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

(b) Pressure relief devices shall be maintained in proper operating condition.

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

The provisions of this §13.106 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.107. Dispenser Installation.

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

(b) The dispenser shall have the following features.

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

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

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

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

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

(A) remote vapor discharge; and

(B) a manual shut-off valve.

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

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

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

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

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

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

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

The provisions of this §13.107 adopted to be effective November 15, 1990, 15 TexReg 5941; amended to be effective February 15, 2021, 46 TexReg 1035.

SUBCHAPTER E. ENGINE FUEL SYSTEMS

§13.131. Applicability.

(a) This subchapter applies to the design, installation, inspection, and testing of compressed natural gas (CNG) fuel supply systems for vehicular internal combustion engines.

(b) Installation of each component of the system shall be made in conformance to the written instructions provided by the manufacturer.

The provisions of this §13.131 adopted to be effective November 15, 1990, 15 TexReg 5945.

§13.133. Installation of Fuel Supply Containers.

(a) In addition to NFPA 52 §§6.3.2 and 6.3.3, fuel supply containers on school buses, mass transit, and other public transportation vehicles shall not be located within the driver or passenger compartment. The motor fuel containers installed on a special transit vehicle may

be installed in the passenger compartment, provided all connections to the containers are external to, or sealed and vented from, those compartments.

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

The provisions of this §13.133 adopted to be effective November 15, 1990, 15 TexReg 5945; amended to be effective October 15, 1993, 18 TexReg 6459; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.142. Maintenance and Repair.

(a) As a precaution to keep pressure relief devices in reliable operating condition, care shall be taken in the handling or storing of CNG cylinders to avoid damage. Care shall also be exercised to avoid plugging by paint or other dirt accumulation of pressure relief device channels or other parts which could interfere with the functioning of the device.

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

The provisions of this §13.142 adopted to be effective November 15, 1990, 15 TexReg 5945; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.143. Venting of CNG to the Atmosphere.

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

The provisions of this §13.143 adopted to be effective June 1, 1994, 19 TexReg 3170; amended to be effective February 15, 2021, 46 TexReg 1035.

SUBCHAPTER F. RESIDENTIAL FUELING FACILITIES

§13.181. Applicability.

(a) This subchapter applies to the design, construction, installation, and operation of a residential fueling facility as defined in §13.2 of this title (relating to Definitions).

(b) The provisions of this subchapter shall apply to all residential refueling installations.

The provisions of this §13.181 adopted to be effective November 15, 1990, 15 TexReg 5948.

§13.183. System Component Qualifications.

In addition to NFPA 52 §8.2.1, system components shall comply with the appropriate provisions in

Subchapter B of this chapter (relating to General Rules for Compressed Natural Gas (CNG) Equipment Qualifications).

The provisions of this §13.183 adopted to be effective November 15, 1990, 15 TexReg 5948; amended to be effective June 5, 2006, 31 TexReg 4604; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.187. Installation of Pressure Relief Devices.

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

The provisions of this §13.187 adopted to be effective November 15, 1990, 15 TexReg 5948; amended to be effective February 15, 2021, 46 TexReg 1035.

§13.190. Piping and Hose.

(a) The use of hose in an installation is limited to:

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

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

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

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

(b) The least possible number of connections shall be used in order to reduce the possibility of leakage in the residential fueling appliance.

The provisions of this §13.190 adopted to be effective November 15, 1990, 15 TexReg 5948; amended to be effective February 15, 2021, 46 TexReg 1035.

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

§13.201. Adoption by Reference of NFPA 52.

(a) Effective February 15, 2021, except as modified in this subchapter, the Commission adopts by specific reference the provisions established by the National Fire Protection Association in its 2013 edition of the Vehicular Gaseous Fuel Systems Code, commonly

referred to as NFPA 52 or Pamphlet 52. Nothing in this section or subchapter shall prevent the Commission, after notice, from adopting additional requirements, whether more or less stringent, for individual situations to protect the health, safety, and welfare of the general public. Any documents or parts of documents incorporated by reference into these rules shall be a part of these rules as if set out in full.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The provisions of this §13.201 adopted to be effective February 15, 2021, 46 TexReg 1035

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

(a) Authority having jurisdiction. As pertains to CNG activities in Texas, the phrase "authority having jurisdiction" defined in NFPA 52 §3.2 and referenced in other NFPA publications shall be the Railroad Commission of Texas or any of its divisions or

employees, except with respect to the definitions of "approved," "labeled," and "listed" in NFPA 52 §3.2.

(b) Engineering. The Commission does not adopt language in any NFPA 52 rule such as "sound engineering practice," "accepted engineering practice," "good engineering practice," "sound engineering design," or similar language that might be understood to mean or refer to the practice of engineering. The omission of a specific NFPA 52 rule or other NFPA pamphlets containing such language from the exceptions listed in this subchapter is inadvertent and shall not be read or understood as requiring, allowing, or approving the unlicensed practice of engineering or any other professional occupation requiring a license. *The provisions of this §13.202 adopted to be effective February 15, 2021, 46 TexReg 1035*

§13.203. Sections in NFPA 52 Adopted with Additional Requirements or Not Adopted.

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

Figure: 16 TAC §13.203 [See Figures at end of this document.]

The provisions of this §13.203 adopted to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507

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

§13.301. Adoption by Reference of NFPA 55.

(a) Effective February 15, 2021, except as modified in this subchapter, the Commission adopts by specific reference the provisions established by the National Fire Protection Association in its 2013 edition of the Compressed Gases and Cryogenic Fluids Code, commonly referred to as NFPA 55 or Pamphlet 55. Nothing in this section or subchapter shall prevent the Commission, after notice, from adopting additional requirements, whether more or less stringent, for individual situations to protect the health, safety, and welfare of the general public. Any documents or parts of documents incorporated by reference into these rules shall be a part of these rules as if set out in full.

(b) Effective February 15, 2021, the Commission also adopts by reference all other NFPA publications or portions of those publications referenced in NFPA 55 which apply to CNG activities only. The pamphlets adopted by reference in NFPA 55 are:

(1) NFPA 1, Fires Code, 2012 edition;
 (2) NFPA 2, Hydrogen Technologies Code, 2011 edition;
 (3) NFPA 10, Standard for Portable Fire Extinguishers, 2010 edition;
 (4) NFPA 13, Standard for the Installation of Sprinkler Systems, 2013 edition;
 (5) NFPA 16, Standard for the Installation of Foam-Water Sprinkler and Foam-Water Spray Systems, 2011 edition;
 (6) NFPA 30, Flammable and Combustible Liquids Code, 2012 edition;
 (7) NFPA 31, Standard for the Installation of Oil-Burning Equipment, 2011 edition;
 (8) NFPA 45, Standard on Fire Protection for Laboratories Using Chemicals, 2011 edition;
 (9) NFPA 51, Standard for the Design and Installation of Oxygen-Fuel Gas Systems for Welding, Cutting, and Allied Processes, 2013 edition;
 (10) NFPA 52, Vehicular Gaseous Fuel Systems Code, 2010 edition;
 (11) NFPA 54, National Fuel Gas Code, 2012 edition;
 (12) NFPA 58, Liquefied Petroleum Gas Code, 2011 edition;
 (13) NFPA 59A, Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG), 2013 edition;
 (14) NFPA 68, Standard on Explosion Protection by Deflagration Venting, 2007 edition;
 (15) NFPA 69, Standard on Explosion Prevention Systems, 2008 edition;
 (16) NFPA 70, National Electrical Code, 2011 edition;
 (17) NFPA 72, National Fire Alarm and Signaling Code, 2013 edition;
 (18) NFPA 79, Electrical Standard for Industrial Machinery, 2012 edition;
 (19) NFPA 80, Standard for Fire Doors and Other Opening Protectives, 2013 edition;
 (20) NFPA 90A, Standard for the Installation of Air-Conditioning and Ventilating Systems, 2012 edition;
 (21) NFPA 99, Health Care Facilities Code, 2012 edition;
 (22) NFPA 101, Life Safety Code, 2012 edition;
 (23) NFPA 110, Standard for Emergency and Standby Power Systems, 2013 edition;
 (24) NFPA 259, Standard Test Method for Potential Heat of Building Materials, 2008 edition;

(25) NFPA 496, Standard for Purged and Pressurized Enclosures for Electrical Equipment, 2008 edition;

(26) NFPA 505, Fire Safety Standard for Powered Industrial Trucks Including Type Designations, Areas of Use, Conversions, Maintenance, and Operations, 2011 edition;

(27) NFPA 704, Standard System for the Identification of the Hazards of Materials for Emergency Response, 2012 edition;

(28) NFPA 801, Standard for Fire Protection for Facilities Handling Radioactive Materials, 2008 edition; and

(29) NFPA 853, Standard for the Installation of Stationary Fuel Cell Power Systems, 2010 edition.
The provisions of this §13.301 adopted to be effective February 15, 2021, 46 TexReg 1035; amended to be effective February 7, 2023, 48 TexReg 507

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

(a) Authority having jurisdiction. As pertains to CNG activities in Texas, the phrase "authority having jurisdiction" defined in NFPA 55 §3.2.2 and referenced in other NFPA publications shall be the Railroad Commission of Texas or any of its divisions or employees, except with respect to the definitions of "approved," "labeled," and "listed" in NFPA 55 §3.2.

(b) Engineering. The Commission does not adopt language in any NFPA 55 rule such as "sound engineering practice," "accepted engineering practice," "good engineering practice," "sound engineering design," or similar language that might be understood to mean or refer to the practice of engineering. The omission of a specific NFPA 55 rule or other NFPA pamphlets containing such language from the exceptions listed in this subchapter is inadvertent and shall not be read or understood as requiring, allowing, or approving the unlicensed practice of engineering or any other professional occupation requiring a license.
The provisions of this §13.302 adopted to be effective February 15, 2021, 46 TexReg 1035.

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

Table 1 of this section lists certain NFPA 55 sections which the Commission adopts with additional requirements or does not adopt in order to address the Commission's rules in this chapter.

Figure: 16 TAC §13.303 *[See Figures at end of this document.]*

*The provisions of this §13.303 adopted to be effective
February 15, 2021, 46 TexReg 1035.*

Figure: 16 TAC §13.15(e)

Table 1. CNG Penalty Schedule Guidelines

CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range
Tex. Nat. Res. Code, Chapter 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500
16 TAC §13.22	Odorization	\$1,000-2,500
16 TAC §13.24	Bus, public transportation, mass transit and special transit vehicle installations and inspections	\$100-500
16 TAC §13.25(c)	Filings for stationary installations Form 1501: 1-5 occurrences	\$100
16 TAC §13.25(c)	Filings for stationary installations Form 1501: 6-10 occurrences	\$200
16 TAC §13.25(c)	Filings for stationary installations Form 1501: >10 occurrences	\$500
16 TAC §13.25(b)	Filings for stationary installations Form 1500	\$1,000
16 TAC §13.34	Vehicle fuel connection	\$500
16 TAC §13.36	CNG incident/accident report	\$1,000
16 TAC §13.38	Removal from CNG service	\$1,000-2,500
16 TAC §13.39	Filing unapproved cylinders	\$500-1,500
16 TAC §13.40	Manufacturer's nameplates and ASME markings	\$1,000
16 TAC §13.61(d)	Performing CNG activities without proper license	\$500
16 TAC §13.61(g)	Copies of licenses and/or certifications	\$100
16 TAC §13.61(l)	Performing container manufacturing activities without proper registration	\$500
16 TAC §13.61(n)	License and manufacturer registration renewal lapse 1-2 months	\$500
16 TAC §13.61(n)	License and manufacturer registration renewal lapse 3-4 months	\$750
16 TAC §13.61(n)	License and manufacturer registration renewal lapse 5-6 months	\$1,000
16 TAC §13.61(n)	License and manufacturer registration renewal lapse more than 6 months	\$1,000-2,500
16 TAC §13.62	Insurance requirements	\$1,000
16 TAC §13.67	Change in ownership, form of dealership or name of dealership	\$250
16 TAC §13.69	Registration and transfer of transports	\$500-1,500
16 TAC §13.70(a)	Performing CNG activities without proper certifications	\$500
16 TAC §13.70(f)	Trainees	\$500-1,000
16 TAC §13.70(g)	General installers and repairman exemption	\$500-1,000
16 TAC §13.70(h)	Requirements for certificate holder renewal	\$250
16 TAC §13.72	Designation and responsibilities of company representatives and operations supervisor	\$500
16 TAC §13.73	Employee transfers	\$100
16 TAC §13.75	Franchise tax certification and assumed name certificate	\$500
16 TAC §13.93	General requirements	\$100-750
16 TAC §13.106	Maintenance	\$250-1,000
16 TAC §13.107	Dispenser accuracy	\$250
16 TAC §13.133	Installation of fuel supply cylinders	\$250-1,500
16 TAC §13.142	Maintenance and repair	\$250-1,000
16 TAC §13.143	Venting of CNG to atmosphere	\$250-750
16 TAC §13.187	Installation of pressure relief valves	\$100-500
16 TAC §13.190	Piping and hose	\$250-1,000
16 TAC §13.201	NFPA 52 adopted by reference unless otherwise listed	\$250-2,500

CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range
16 TAC §13.203	Sections in NFPA 52 not adopted by reference or adopted with changes or additional requirements	\$250-2,500
16 TAC §13.301	NFPA 55 adopted by reference unless otherwise listed	\$250-2,500
16 TAC §13.303	Sections in NFPA 55 not adopted by reference or adopted with changes or additional requirements	\$250-2,500

Figure: 16 TAC §13.15(f)

Table 2. CNG Penalty Enhancements

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

Figure 1: 16 TAC §13.15(g)

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

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

Figure 2: 16 TAC §13.15(g)

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

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

Figure: 16 TAC §13.15(k)

Table 5. CNG Penalty Worksheet

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
1	Tex. Nat. Res. Code, Chapter 116	Any violation of Chapter 116, Texas Natural Resources Code	\$1,000-2,500	\$
2	16 TAC §13.22	Odorization	\$1,000-2,500	\$
3	16 TAC §13.24	Filing required for school and transit vehicles	\$100-500	\$
4	16 TAC §13.25(c)	Filings for stationary installations Form 1501: 1-5 occurrences	\$100	\$
5	16 TAC §13.25(c)	Filings for stationary installations Form 1501: 6-10 occurrences	\$200	\$
6	16 TAC §13.25(c)	Filings for stationary installations Form 1501: >10 occurrences	\$500	\$
7	16 TAC §13.25(b)	Filings for stationary installations Form 1500	\$1,000	\$
8	16 TAC §13.34	Vehicle fuel connection	\$500	\$
9	16 TAC §13.36	CNG incident/accident report	\$1,000	\$
10	16 TAC §13.38	Removal from CNG service	\$1,000-2,500	\$
11	16 TAC §13.39	Filing unapproved cylinders	\$500-1,500	\$
12	16 TAC §13.40	Manufacturer's nameplates and ASME markings	\$1,000	\$
13	16 TAC §13.61(d)	Performing CNG activities without proper license	\$500	\$
14	16 TAC §13.61(g)	Copies of licenses and/or certifications	\$100	\$
15	16 TAC §13.61(l)	Performing container manufacturing activities without proper registration	\$500	\$
16	16 TAC §13.61(n)	License and manufacturer registration renewal lapse 1-2 months	\$500	\$
17	16 TAC §13.61(n)	License and manufacturer registration renewal lapse 3-4 months	\$750	\$
18	16 TAC §13.61(n)	License and manufacturer registration renewal lapse 5-6 months	\$1,000	\$
19	16 TAC §13.61(n)	License and manufacturer registration renewal lapse more than 6 months	\$1,000-2,500	\$
20	16 TAC §13.62	Insurance requirements	\$1,000	\$
21	16 TAC §13.67	Change in ownership	\$250	\$
22	16 TAC §13.69	Registration and transfer of transports	\$500-1,500	\$
23	16 TAC §13.70(a)	Performing CNG activities without proper certifications	\$500	\$
24	16 TAC §13.70(f)	Trainees	\$500-1,000	\$
25	16 TAC §13.70(g)	General installers and repairman exemption	\$500-1,000	\$
26	16 TAC §13.70(h)	Requirements for certificate holder renewal	\$250	\$
27	16 TAC §13.72	Designation and responsibilities of company representatives and operations supervisor	\$500	\$
28	16 TAC §13.73	Employee transfers	\$100	\$
29	16 TAC §13.75	Franchise tax certification and assumed name certificate	\$500	\$
30	16 TAC §13.93	General requirements	\$100-750	\$
31	16 TAC §13.106	Maintenance	\$250-1,000	\$
32	16 TAC §13.107	Dispenser accuracy	\$250	\$
33	16 TAC §13.133	Installation of fuel supply cylinders	\$250-1,500	\$

	CNG Rule/Statute	General Description	Typical Minimum Penalty Amount/Range	Penalty Tally
34	16 TAC §13.142	Maintenance and repair	\$250-1,000	\$
35	16 TAC §13.143	Venting of CNG to atmosphere	\$250-750	\$
36	16 TAC §13.187	Installation of pressure relief valves	\$100-500	\$
37	16 TAC §13.190	Piping and hose	\$250-1,000	\$
38	16 TAC §13.201	NFPA 52 adopted by reference unless otherwise listed	\$250-2,500	\$
39	16 TAC §13.203	Sections in NFPA 52 not adopted by reference or adopted with changes or additional requirements	\$250-2,500	\$
40	16 TAC §13.301	NFPA 55 adopted by reference unless otherwise listed	\$250-2,500	\$
41	16 TAC §13.303	Sections in NFPA 55 not adopted by reference or adopted with changes or additional requirements	\$250-2,500	\$
42	Subtotal of typical penalty amounts from Table 1 (lines 1-41, inclusive)			\$
43	Reduction for settlement before hearing: up to 50% of line 42 amt.		_____%	\$
44	Subtotal: amount shown on line 42 less applicable settlement reduction on line 43			\$
Penalty enhancement amounts for threatened or actual safety hazard from Table 2				
45	Death or personal injury		\$5,000-20,000	\$
46	Taking facility out of service		\$1,000-5,000	\$
47	Gas ignition or release requiring emergency response		\$1,000-15,000	\$
48	Damage to CNG installation or vehicle		\$1,000-5,000	\$
49	Property damage exceeding \$5,000		\$1,000-15,000	\$
50	Rerouting of traffic or evacuation of premises		\$1,000-5,000	\$
Penalty enhancement for severity of violation from Table 2				
51	Time out of compliance		\$100-\$2,000/mo.	\$
52	Subtotal: amount shown on line 44 plus all amounts on lines 45-51, inclusive			\$
Penalty enhancements for culpability of person charged from Table 2				
53	Reckless conduct of person charged		Up to double line 52	\$
54	Intentional conduct of person charged		Up to triple line 52	\$
Penalty enhancements for number of prior violations within past seven years from Table 3				
55	One		\$1,000	\$
56	Two		\$2,000	\$
57	Three		\$3,000	\$
58	Four		\$4,000	\$
59	Five or more		\$5,000	\$
Penalty enhancements for amount of penalties within past seven years from Table 4				
60	Less than \$10,000		\$1,000	\$
61	Between \$10,000 and \$25,000		\$2,500	\$
62	Between \$25,000 and \$50,000		\$5,000	\$
63	Between \$50,000 and \$100,000		\$10,000	\$
64	Over \$100,000		10% of total amt.	\$
65	Subtotal: Line 52 amt. plus amt. on line 53 and/or 54 plus the amt. shown on any line from 55-64, inclusive			\$
66	Reduction for demonstrated good faith of person charged			\$
67	TOTAL PENALTY AMOUNT: amount on line 65 less any amount shown on line 66			\$

Figure: 16 TAC §13.62(a)

§13.62. INSURANCE REQUIREMENTS

TABLE 1

Category of License	Type of Coverage
All	Workers' Compensation, including Employer's Liability
All	Alternative to Workers' Compensation including Employer's Liability, or Accident/Health insurance coverage: Medical expenses in the principal amount of at least \$150,000; accidental death benefits in the principal amount of at least \$100,000; loss of limb or sight on a scale based on principal amount of at least \$100,000; loss of income based on at least 60% of employee's pre-injury income for at least 52 weeks, subject to a maximum weekly wage calculated annually by the Texas Workforce Commission
2, 5, 6 and Registered Manufacturers	General liability coverage including: premises and operations in an amount not less than \$25,000 per occurrence and \$50,000 aggregate
1, 1A, 1B 3, 4 and Registered Manufacturers	Completed operations and products liability insurance in an amount not less than \$300,000 aggregate
3 and Ultimate Consumer	Motor vehicle coverage: minimum \$500,000 combined single limit for bodily injuries to or death of all persons injured or killed in any one accident, and loss or damage to property of others in any one accident

Figure: 16 TAC §13.93(g)

§13.93 SIGNS/LETTERING

Requirements	Automatic Dispenser/ Refueling Area⁵	Fueling Connection Receptable CNG Fueled Vehicle	Engine Compartment of CNG Fueled Vehicle	Emergency Shutdown Devices	Compression Area⁵
1. Signs with Red Letters at Least 2 Inches High, on White Background - NO SMOKING ¹	■				■
2. Sign with Red Letters at Least 4 Inches High, on White Background: WARNING-FLAMMABLE GAS; Black letters: NO TRESPASSING					■
3. Letters at Least 2 Inches High: NATURAL GAS	■ ⁷				■
4. CNG FUELED VEHICLE		■ ²	■		
5. System Working Pressure _____		■ ²	■		
6. Name of Licensee and License Number			■		
7. Cylinder Retest Date(s) or Expiration Date(s) ³		■ ²	■		
8. Total Cylinder Water Volume in Gallons			■		
9. Sign with White Letters at Least 2 Inches High on Red Background: CNG EMERGENCY VALVE; PUSH				■ ⁴	
10. Letters at Least 4 Inches High: Name of Licensee Operating Installation	■ ⁶				■ ⁶

NOTES TO §13.93, TABLE 1

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

Figure: 16 TAC §13.203

NFPA 52 Sections with Additional Requirements or Not Adopted		
Affected NFPA 52 Section	Specific Action	Commission Rule(s) to be Followed or Other Comments
1.4.1	additional requirement	See Commission rule §13.37, Appurtenances and equipment
1.4.1.2	additional requirement	See Commission rule §13.37, Appurtenances and equipment
1.4.3	additional requirements	See Commission rule §13.70, Examination and exempt registration requirements and renewals and §13.72, Designation and responsibilities of company representatives and operations supervisors
4.2	additional requirements	See Commission rule §13.70, Examination and exempt registration requirements and renewals and §13.72, Designation and responsibilities of company representatives and operations supervisors
4.3	additional requirement	See Commission rule §13.35, Application for an exception to a safety rule
5.2.1.1	additional requirement	See Commission rule §13.22, Odorization
5.3.1	additional requirement	See Commission rule §13.37, Appurtenances and equipment
5.4.5.1	additional requirement	See Commission rule §13.40, Manufacturer's nameplate and markings on ASME containers
6.3.2	additional requirement	See Commission rule §13.133, Installation of fuel supply containers
6.3.3	additional requirement	See Commission rule §13.133, Installation of fuel supply containers
6.9.3	additional requirement	See Commission rule §13.34, Vehicle fueling connection
6.13.2	additional requirement	See Commission rule §13.23, Installation and maintenance
6.14.1.1	additional requirement	See Commission rule §13.143, Venting of CNG to the atmosphere
7.3.1	additional requirement	See Commission rule §13.25, Filings required for stationary CNG installations
7.3.2	additional requirements	See Commission rule §13.93, System protection requirements
7.4.3.11	additional requirement	See Commission rule §13.93, System protection requirements
7.11.5.2	additional requirement	See Commission rule §13.93, System protection requirements

7.14.4	additional requirement	See Commission rule §13.107, Dispenser installation
7.14.5	additional requirement	See Commission rule §13.107, Dispenser installation
7.14.12	additional requirement	See Commission rule §13.93, System protection requirements
7.16.2	not adopted	See Commission rule §13.107, Dispenser installations
8.2.1	additional requirement	See Commission rule §13.183, System component qualifications
8.5	additional requirement	See Commission rule §13.187, Installation of pressure relief devices
8.8.3	not adopted	See Commission rule §13.190, Piping and hose
Chapter 9	not adopted	NFPA 52 Chapter 9 does not apply to CNG installations
Chapter 10	not adopted	NFPA 52 Chapter 10 does not apply to CNG installations
Chapter 12	not adopted	NFPA 52 Chapter 12 does not apply to CNG installations
Chapter 13	not adopted	NFPA 52 Chapter 13 does not apply to CNG installations
Chapter 14	not adopted	Commission rules in Chapter 13 do not cover marine installations

Figure: 16 TAC §13.303

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