

Figure: 30 TAC §37.825(d)

LETTER FROM CHIEF FINANCIAL OFFICER

I am the chief financial officer of (insert: name and address of the owner, operator, or guarantor). This letter is in support of the use of (insert: "the financial test of self-insurance," and/or "guarantee") to demonstrate financial assurance for taking corrective action and compensating third parties for bodily injury and property damage caused by accidental releases in the amount of at least (insert: dollar amount) annual aggregate arising from operating (an) underground storage tank(s).

Underground storage tanks at the following facilities are assured by this financial test by this (insert: "owner or operator," and/or "guarantor"): (List for each facility: the name, address of the facility where tanks assured by this financial test are located and, for those facilities located in Texas, the TCEQ facility identification number. If separate mechanisms or combinations of mechanisms are being used to assure any of the tanks at this facility, list each tank assured by this financial test by the tank identification number provided in the registration information submitted under §334.7 of this title (relating to Registration for USTs)).

This firm is the owner, operator, or guarantor of the following facilities for which financial assurance is being demonstrated under other TCEQ, EPA regulations, or state program authorized by EPA through a financial test or guarantee. (For each program area identify: the facility name, physical and mailing addresses, federal or state equivalent regulations, permit number, current cost estimate, and liability coverage. Identify for each current cost estimate the amount designated for closure, post closure, corrective action, or liability coverage.)

- (a) Municipal solid waste management facilities under 30 TAC Chapter 330, 40 Code of Federal Regulations (CFR) Part 258 or equivalent \$ _____
- (b) Underground injection control facilities under 30 TAC Chapter 331, 40 CFR Part 144 or equivalent \$ _____
- (c) PCB storage facilities under 40 CFR Part 761 or equivalent \$ _____
- (d) Hazardous waste treatment, storage, and disposal facilities under 30 TAC Chapter 335, 40 CFR Parts 264 and 265 or equivalent \$ _____
- (e) Additional environmental obligations not shown above \$ _____
- Total (a)-(e) \$ _____

This (insert "owner or operator," or "guarantor") has not received an adverse opinion, a disclaimer of opinion, or a "going concern" qualification from an independent auditor on its financial statements for the latest completed fiscal year, which was (insert latest fiscal year-end date).

(Fill in the information for Alternative I if the criteria of §37.825(b) of this title (relating to Financial Test of Self-Insurance) are being used to demonstrate compliance with the financial test requirements. Fill in the information for Alternative II if the criteria of §37.825(c) of this title are being used to demonstrate compliance with the financial test requirements.)

ALTERNATIVE I

- 1. Amount of annual UST aggregate coverage being assured by a financial test, and/or guarantee \$ _____
- 2. Sum of current cost estimates for closure, post closure, corrective action, and liability coverage (total of (a)-(e) directly above) \$ _____
- 3. Sum of lines 1 and 2 \$ _____
- 4. Total tangible assets \$ _____

- 5. Total liabilities (if any of the amount reported on line 3 is included in total liabilities, you may deduct that amount from this line and add that amount to line 6) \$ _____
- 6. Tangible net worth (subtract line 5 from line 4) \$ _____

Yes No

- 7. Is line 6 at least \$10 million? _____
- 8. Is line 6 at least 10 times line 3? _____
- 9. Have financial statements for the latest fiscal year been filed with the Securities and Exchange Commission? _____
- 10. Have financial statements for the latest fiscal year been filed with the Energy Information Administration? _____
- 11. Have financial statements for the latest fiscal year been filed with the Rural Electrification Administration? _____
- 12. Has financial information been provided to Dun and Bradstreet, and has Dun and Bradstreet provided a financial strength rating of 4A or 5A? (Answer "Yes" only if both criteria have been met.) _____

ALTERNATIVE II

- 1. Amount of annual UST aggregate coverage being assured by a financial test, and/or guarantee \$ _____
- 2. Sum of current cost estimates for closure, post closure, corrective action and liability coverage (total of (a)-(e) directly above) \$ _____
- 3. Sum of lines 1 and 2 \$ _____
- 4. Total tangible assets \$ _____
- 5. Total liabilities (if any of the amount reported on line 3 is included in total liabilities, you may deduct that amount from this line and add that amount to line 6) \$ _____
- 6. Tangible net worth (subtract line 5 from line 4) \$ _____
- 7. Total assets in the U.S. (required only if less than 90 percent of assets are located in the U.S.) \$ _____

Yes No

- 8. Is line 6 at least \$10 million? _____
- 9. Is line 6 at least 6 times line 3? _____
- 10. Are at least 90 percent of assets located in the U.S.? (If "No," complete line 11.) _____

11. Is line 7 at least 6 times line 3? _____

(Fill in either lines 12-15 or lines 16-18)

12. Current assets \$ _____

13. Current liabilities \$ _____

14. Net working capital (subtract line 13 from 12) \$ _____

Yes No

15. Is line 14 at least 6 times line 3? _____

16. Current bond rating of most recent bond issue _____

17. Name of rating service _____

18. Date of maturity of bond _____

Yes No

19. Have financial statements for the latest fiscal year been filed with the SEC, the Energy Information Administration, or the Rural Electrification Administration? _____

(If "No," please attach a report from an independent certified public accountant certifying that there are no material differences between the data as reported in lines 4-18 above and the financial statements for the latest fiscal year.)

(For both Alternative I and Alternative II complete the certification with this statement.)

I hereby certify that the wording of this letter is identical to the wording specified in §37.825, as this regulation was constituted on the date shown immediately below.

(Insert signature) _____

(Insert name) _____

(Insert title) _____

(Insert date) _____