

**AST FR-3**

**Financial Test of Self Insurance**

**Letter from Chief Financial Officer**

I am the chief financial officer of

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This letter is in support of the use of

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to demonstrate financial responsibility for taking corrective action for releases from the presence, use, or operation of aboveground storage tanks (ASTs) in the aggregate amount of at least \$\_\_\_\_\_.

ASTs at the following facilities are assured by this financial test by this

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*[Attach tank schedule:*

*List for each facility: the name and address of the facility where tanks assured by this financial test are located, the tank registration number and the individual WVDEP issued Tank identification number.]*

A \_\_\_\_\_ is also used by \_\_\_\_\_ to demonstrate evidence of financial responsibility in the following amounts under other EPA regulations or State programs including but not limited to Subtitle C Hazardous Waste Facilities, SDWA Class I Hazardous Waste Injection Wells and aggregate UST coverage.

	Amount
Closure .....	_____
Post-Closure Care .....	_____
Liability Coverage .....	_____
Corrective Action .....	_____
Plugging and Abandonment .....	_____
Other .....	_____
<b>TOTAL</b>	_____

This \_\_\_\_\_ 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.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date*

[Fill in the information for Alternative I or Alternative II depending on which method is being used to demonstrate compliance with the financial test requirements for self-insurance.]

**Alternative I**

1. Amount of AST Annual Aggregate coverage being assured by a financial test, and/or guarantee: \_\_\_\_\_ \$\_\_\_\_\_

2. Amount of other liability coverage covered by a financial test, and/or guarantee: (This includes but is not limited to Subtitle C Hazardous Waste Facilities, SDWA Class I Hazardous Waste Injection Wells and aggregate UST coverage)  
\$\_\_\_\_\_

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. Is line 6 at least \$10 million? \_\_\_\_\_ Yes\_ No\_\*  
(Tangible Net Worth at least \$10million)

8. Is line 6 at least 10 times line 3? \_\_\_\_\_ Yes\_ No\_\*  
(Tangible Net Worth 10X's the sum of other environmental obligations)

**\*If the answer to line 7 or line 8 is "No", this test cannot be used to meet the AST Financial Responsibility requirements.**

*Complete Lines 9-11 OR Line 12 9.*

9. Have financial statements for the latest fiscal year been filed with the Securities and Exchange Commission? \_\_\_\_\_ Yes\_ No\_

10. Have financial statements for the latest fiscal year been filed with the Energy Information Administration? \_\_\_\_\_ Yes\_ No\_

11. Have financial statements for the latest fiscal year been filed with the Rural Utilities Service? \_\_\_\_\_ Yes\_ No\_

12. Has financial information been provided to Dun & Bradstreet, and has Dun & Bradstreet provided a financial strength rating of 4A or 5A?

(Answer "Yes" only if both criteria have been met.) \_\_\_\_\_ Yes\_ No\_

13. Have year-end financial statements which do not include an adverse auditor's opinion, a disclaimer of opinion, or a "going concern" qualification.

(Answer "Yes" only if both criteria have been met)\_\_\_\_\_ Yes\_ No \_

## Alternative II

1. Amount of AST Annual Aggregate coverage being assured by a financial test, and/or guarantee: \_\_\_\_\_ \$ \_\_\_\_\_

2. Amount of other liability coverage covered by a financial test, and/or guarantee: (This includes but is not limited to Subtitle C Hazardous Waste Facilities, SDWA Class I Hazardous Waste Injection Wells and aggregate UST coverage) ...  
\$ \_\_\_\_\_

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.): \_\_\_\_\_ \$ \_\_\_\_\_

8. Is line 6 at least \$10 million? \_\_\_\_\_ Yes\_ No\_\*  
(Tangible Net Worth at least \$10 million)

9. Is line 6 at least 6 times line 3? \_\_\_\_\_ Yes\_ No\_\*  
(Tangible Net Worth 6X's other environmental obligations)

**\*If the answer to line 8 or line 9 is "No", this test cannot be used to meet the AST Financial Responsibility requirements.**

10. Are at least 90 percent of assets located in the U.S.? \_\_\_\_\_ Yes\_ No\_\*\*  
(If "No," complete line 11)

11. Is line 7 at least 6 times line 3? (U.S. assets at least six times the required amount of AST coverage plus other environmental liabilities) \_\_\_\_\_ Yes\_ No\_

*(Complete Lines 12-15 OR Lines 16-18)*

12. Current Assets: \_\_\_\_\_ \$ \_\_\_\_\_

13. Current Liabilities: \_\_\_\_\_ \$ \_\_\_\_\_

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

15. Is line 14 at least 6 times line 3? \_\_\_\_\_ Yes\_ No\_

**-OR-**

16. Current bond rating of most recent bond issue: \_\_\_\_\_

17. Name of rating service: \_\_\_\_\_

18. Date of maturity of bond: \_\_\_\_\_

19. Have financial statements for the latest fiscal year been filed with the Securities and Exchange Commission (SEC), the Energy Information

Administration (EIA), or the Rural Utilities Service (RUS)? \_\_\_\_\_ Yes\_ No\_\*

\*(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).

20. The firm's year-end financial statements have been independently audited and do not include an adverse auditor's opinion, a disclaimer of opinion,

or a "going concern" qualification \_\_\_\_\_ Yes\_ No\_