

20.5.117.1755 FORM DOCUMENTS FOR FINANCIAL TEST OF SELF INSURANCE: To demonstrate that it meets the financial test under subsection B or C of 20.5.117.1705 NMAC, the chief financial officer of the owner or operator, or guarantor, shall sign, within 120 days of the close of each financial reporting year, as defined by the twelve-month period for which financial statements used to support the financial test are prepared, a letter worded exactly as follows, except that the instructions in brackets are to be replaced by the relevant information and the brackets deleted:

LETTER FROM CHIEF FINANCIAL OFFICER

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

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 and address of the facility where tanks assured by this financial test are located, and whether tanks are assured by this financial test or another financial test under 20.5.117 New Mexico Administrative Code (NMAC). 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 notification submitted pursuant to 20.5.102.202 NMAC. If this financial test is used to assure both underground and above ground storage tanks, identify each tank as underground or above ground and list the tank identification number provided in the notification submitted pursuant to 20.5.102.202 NMAC.]

A [insert: “financial test,” and/or “guarantee”] is also used by this [insert: “owner or operator,” or “guarantor”] to demonstrate evidence of financial responsibility in the following amounts under other EPA regulations or state programs authorized by EPA under 40 CFR parts 271 and 145:

EPA Regulations	Amount
Closure (264.143 and 265.143)	\$ _____
Post-Closure Care (264.145 and 265.145)	\$ _____
Liability Coverage (264.147 and 265.147)	\$ _____
Corrective Action (264.101(b))	\$ _____
Plugging and Abandonment (144.63)	\$ _____
Closure	\$ _____
Post-Closure Care	\$ _____
Liability Coverage	\$ _____
Corrective Action	\$ _____
Plugging and Abandonment	\$ _____
Total	\$ _____

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 his financial statements for the latest completed fiscal year.

[Fill in the information for Alternative I if the criteria of subsection B of 20.5.117.1705 NMAC are being used to demonstrate compliance with the financial test requirements. Fill in the information for Alternative II if the criteria of subsection C of 20.5.117.1705 NMAC are being used to demonstrate compliance with the financial test requirements.]

Alternative I

1. Amount of annual aggregate coverage for storage tanks being assured by a financial test, and/or guarantee \$ _____
2. Amount of corrective action, closure and post-closure care costs, liability coverage, and plugging and abandonment costs covered by a financial test, and/or guarantee \$ _____
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
 ___ ___
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 Utilities Service? ___ ___
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 aggregate coverage for storage tanks being assured by a financial test, and/or guarantee \$_____
2. Amount of corrective action, closure and post-closure care costs, liability cover-age, and plugging and abandonment costs covered by a financial test, and/or guarantee \$_____
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
 ___ ___
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 line 12] \$_____
15. Is line 14 at least 6 times line 3? Yes No
 ___ ___
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 SEC, the Energy Information Administration, or the Rural Utilities Service? ___ ___
- [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 20.5.117.1755 NMAC as such regulations were constituted on the date shown immediately below.

[Signature]

[Name]

[Title]

[Date]