



Commonwealth of Massachusetts
Executive Office of Energy & Environmental Affairs

Department of Environmental Protection

One Winter Street Boston, MA 02108 • 617-292-5500

Charles D. Baker
Governor

Karyn E. Polito
Lieutenant Governor

Matthew A. Beaton
Secretary

Martin Suuberg
Commissioner

MASSACHUSETTS UST SYSTEM FINANCIAL RESPONSIBILITY MECHANISMS

APPENDICES

Appendix 1: TEMPLATE FOR CERTIFICATION OF FINANCIAL RESPONSIBILITY

**Appendix 2: WORKSHEET FOR DETERMINING WHETHER AN OWNER OR OPERATOR IS
ELIGIBLE TO USE THE FINANCIAL TEST OF SELF-INSURANCE**

**Appendix 3: WORKSHEET FOR CALCULATING A FINANCIAL INDEX TO DETERMINE
ELIGIBILITY FOR THE LOCAL GOVERNMENT FINANCIAL TEST**

MassDEP Bureau of Air and Waste, October 5, 2016

This information is available in alternate format. Call the MassDEP Diversity Office at 617-556-1139. TTY# MassRelay Service 1-800-439-2370

MassDEP Website: www.mass.gov/dep

Printed on Recycled Paper

October 5, 2016

APPENDIX 1
TEMPLATE FOR CERTIFICATION OF FINANCIAL RESPONSIBILITY
310 CMR 80.59(3)

I, [Name of Owner or Operator], hereby certify that I am in compliance with the requirements of 310 CMR 80.80.51 through 80.63. The financial assurance mechanism(s) used to demonstrate financial responsibility under 310 CMR 80.51 through 80.63 is (are) as follows:

[For each mechanism, list the type of mechanism, name of issuer, mechanism number (if applicable), amount of coverage, and effective period of coverage, and describe the coverage as "taking corrective action" and/or "compensating third parties for bodily injury and property damage caused by [sudden accidental releases] and/or [non-sudden accidental releases] and/or [accidental releases].

Type of Mechanism	Name of Issuer	Mechanism Number	Amount of Coverage	Effective Period of Coverage	Type of Coverage

Owner or Operator Signature:	Witness or Notary Signature:
Signature of Owner or Operator:	Signature of witness or notary:
Name of Owner or Operator:	Signature of witness or notary:
Title of Owner or Operator:	Date:
Date:	

APPENDIX 2
WORKSHEET FOR DETERMINING WHETHER AN OWNER OR OPERATOR IS
ELIGIBLE TO USE THE FINANCIAL TEST OF SELF-INSURANCE

Alternative I:

1.	Amount of annual UST aggregate coverage 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]	\$
Answer "yes" or "no" to questions in lines 7-12		
7.	Is line 6 at least \$10 million?	\$ Amount:
8.	Is line 6 at least 10 times line 3?	\$ Amount:
9.	Have financial statements for the latest fiscal year been filed with the US Securities and Exchange Commission, the US Energy Information Administration, or the US Rural Electrification Administration? If "No", complete line 10.	Yes or No
10.	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.]	Yes or No

Alternative II:

1.	Amount of annual UST aggregate coverage being assured by a 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	\$

October 5, 2016

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 or No Amount:
9.	Is line 6 at least 6 times line 3?	Yes or No Amount:
10.	Are at least 90 percent of assets located in the U.S.? [If "No," complete line 11.]	Yes or No Amount:
11.	Is line 7 at least 6 times line 3?	Yes or No Amount:
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 or No Amount:
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 Electrification Administration? If "No", complete line 20.	Yes or No
20.	Have 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?	Yes or No

**APPENDIX 3
WORKSHEET FOR CALCULATING A FINANCIAL INDEX TO DETERMINE
ELIGIBILITY FOR THE LOCAL GOVERNMENT FINANCIAL TEST**

Step	Task	Information/Calculation
Part 1: Basic Information		
1	Total Revenues	
1a.	Revenues (dollars). Value of revenues excludes liquidation of investments and issuance of debt. Value includes all general fund operating and non-operating revenues, as well as all revenues from all other governmental funds including enterprise, debt service, capital projects, and special revenues, but excluding revenues to funds held in a trust or agency capacity.	\$
1b.	Interfund transfers (dollars)	\$
1c.	Total revenues (dollars) (subtract line 1b from 1a)	\$
2	Total Expenditures	
2a.	Expenditures (dollars). Value consists of the sum of general fund operating and non-operating expenditures, including interest payments on debt, payments for retirement of debt principal and total expenditures from all other governmental funds including enterprise, debt service, capital projects, and special revenues.	\$
2b.	Interfund transfers (dollars)	\$
2c.	Total Expenditures (dollars) (subtract line 2b from 2a)	\$
3	Local Revenues	
3a.	Total Revenues (from line 1c) (dollars)	\$
3b.	Total intergovernmental transfers (dollars)	\$
3c.	Local Revenues (dollars) (subtract line 3b from 3a)	\$
4	Debt Service	
4a.	Interest and fiscal charges (dollars)	\$
4b.	Debt retirement (dollars)	\$
4c.	Total debt service (dollars) (add lines 4a and 4b)	\$
5	Total Funds (Sum of amounts held as cash and investment securities from all funds, excluding amounts held for employee retirement funds, agency funds, and trust funds)	\$
6	Population	# of people
Part II Application of Test		
7	Total Revenues to Population	
7a.	Total Revenues (line 1c)	\$

Step	Task	Information/Calculation
7b.	Population (line 6)	# of people
7c.	Divide line 7a by 7b	
7d.	Subtract 417 from line 7c	
7e.	Divide line 7d by 5,212	
7f.	Multiply line 7e by 4.095	
8	Total Expenses to Population	
8a.	Total Expenses (line 2c.)	\$
8b.	Population (line 6)	# of people
8c.	Divide line 8a by 8b	
8d.	Subtract 524 from line 8c	
8e.	Divide line 8d by 5,401	
8f.	Multiply line 8e by 4.095	
9.	Local Revenues to Total Revenues	
9a.	Local Revenues (line 3c)	\$
9b.	Total Revenues (line 1c)	\$
9c.	Divide line 9a by 9b	
9d.	Subtract 0.695 from line 9c	
9e.	Divide line 9d by 0.205	
9f.	Multiply line 9e by 2.840	
10.	Debt Service to Population	
10a.	Debt Service (line 4d)	\$
10b.	Population (line 6)	# of people
10c.	Divide line 10a by 10b	
10d.	Subtract 51 from line 10c	

October 5, 2016

Step	Task	Information/Calculation
10e.	Divide line 10d by 1,038	
10f.	Multiply line 10e by -1.866	
11.	Debt Service to Total Revenues	
11a.	Debt Service (line 4d)	\$
11b.	Total Revenues (line 1c)	\$
11c.	Divide line 11a by line 11b	
11d.	Subtract 0.068	
11e.	Divide line 11d by 0.259	
11f.	Multiply line 11e by -3.533	
12.	Total Revenues to Total Expenses	
12a.	Total Revenues (from line 1c)	\$
12b.	Total Expenses (from line 2c)	\$
12c.	Divide line 12a by line 12b	\$
12d.	Subtract 0.910 from line 12c	
12e.	Divide line 12d by 0.899	
12f.	Multiply line 12e by 3.458	
13.	Funds Balance to Total Revenues	
13a.	Total Funds (line 5)	\$
13b.	Total Revenues (line 1c)	\$
13c.	Divide line 13a by line 13b	
13d.	Subtract 0.891 from line 13c	
13e.	Divide line 13d by 9.156	
13f.	Multiply line 13e by 3.270	
14.	Funds Balance to Total Expenses	
14a.	Total Funds (line 5)	\$

October 5, 2016

Step	Task	Information/Calculation
14b.	Total Expenses (line 2c)	\$
14c.	Divide line 14a by line 14b	
14d.	Subtract 0.866 from line 14c	
14e.	Divide line 14d by 6.409	
14f.	Multiply line 14e by 3.270	
15.	Total Funds to Population	
15a.	Total Funds (line 5)	\$
15b.	Population (line 6)	# of people
15c.	Divide line 15a by line 15b	
15d.	Subtract 270 from line 15c	
15e.	Divide line 15d by 4,548	
15f.	Multiply line 15e by 1.866	
16	Calculate Financial Index	
16a.	Add lines 7f + 8f	
16b.	Add lines 16a + 9f	
16c.	Add lines 16b + 10f	
16d.	Add lines 16c + 11f	
16e.	Add lines 16d + 12f	
16f.	Add lines 16e + 13f	
16g.	Add lines 16f + 14f	
16h.	Add lines 16g + 15f	
16i.	Add lines 16h + 4.937: This is your Financial Index	