

Financial Assurance Tests for Closure, Water Management and Long-Term Care Costs

Instructions:

- Complete all sections for both the most recent and the previous fiscal years and, in the spaces provided, include the calculated ratios and the indication of pass or fail. Complete the information pertaining to either Alternative I or Alternative II. If information is not available on reported financial statements, indicate as NA and attach a statement explaining why this information is not available.
- An explanation must be provided for any deviations of the "Previous Year" information shown below from what was disclosed in the previous year's report.
- Attach a copy of the audited financial statements for the current year, along with the auditor's report.
- Check this box if there is an adverse opinion, a disclaimer of opinion or a "going concern qualification" in the most recent annual audit. [See Rule 62-673.640(5)(b), Florida Administrative Code (F.A.C.)] If this box is checked, **THIS FINANCIAL TEST MAY NOT BE USED.**

Part 1: Financial Information¹

Item	Description	Amount, in millions ²	
		Most recent fiscal year	Previous fiscal year
1	Current cost of closure estimate	\$	\$
1a	Amount of credit for cash or third party instrument	(\$ _____ ³)	(\$ _____)
1b	Net current cost of closure estimate to be covered by financial test	\$ _____)	\$ _____)
2	Asset retirement obligation	\$	\$
3	Closure obligation [the greater of line 1b or line 2]	\$	\$
4	Total liabilities	\$	\$
5	Tangible net worth	\$	\$
6	Cash flow from operations	\$	\$
7	Current assets	\$	\$
8	Current liabilities	\$	\$
9	Tangible U.S. assets	\$	\$
10	Bond rating of most recently issued non-guaranteed debenture bond ⁴		

¹ See Parts 3 and 4 for Source of Financial Information and Definitions

² Reported per United States Generally Accepted Accounting Standards (U.S. GAAP) and in U.S. dollars.

³ Attach identifying list, description and amount of cash or third party instrument.

⁴ The bond rating must have been issued within the twelve months prior to the completion of this form and applicable to an unsecured and outstanding bond with a maturity of at least five years remaining and a maturity value of the greater of \$100 million or 5% of the company's total assets by either Moody's, Standard and Poor's or Fitch IBCA/Duff & Phelps and must indicate an investment grade rating. The reporting company must provide an attachment that details the issue date, outstanding amount of the issue, the date of the rating, and the identity of the rating service.

Part 2: Financial Tests

Item	Most recent fiscal year			Previous fiscal year		
	Result	Standard	Pass?	Result	Standard	Pass?
ALTERNATIVE I: PASS THE FOLLOWING CRITERIA						
11	[1a] Total liabilities (line 4) divided by tangible net worth (line 5)		≤ 1.5		≤ 1.5	
12	[1b] Cash flow from operations (line 6) divided by the amount of total liabilities (line 4)		≥ 0.1		≥ 0.1	
13	[1b] Cash flow from operations (line 6) divided by the amount of total liabilities (line 4) averaged over the past two years		≥ 0.1		≥ 0.1	
14	[1b] Current assets (line 7) divided by current liabilities (line 8)		>1.5		>1.5	
15	Pass 12, 13 or 14?					
16	[1c] Tangible net worth (line 5) divided by the closure obligation (line 3)		≥ 6.0		≥ 6.0	
17	[1d] Tangible assets located in the U.S. (line 9), divided by the closure obligation (line 3)		≥ 10.0		≥ 10.0	
18	Pass Alternative I? [Pass 11, 15, 16 and 17]					
ALTERNATIVE II: PASS THE FOLLOWING CRITERIA						
19	[2a] Current bond rating on the most recently issued unsecured and outstanding bond with a maturity of at least five years remaining		Investment grade		Investment grade	
20	[2b] Tangible net worth (line 5) divided by the closure obligation (line 3)		≥ 2.0		≥ 2.0	
21	[2c] Tangible assets located in the U.S. (line 9), divided by the closure obligation (line 3)		≥ 5.0		≥ 5.0	
22	Pass Alternative II? [Pass 19, 20 and 21]					

Part 3: Source of financial information

Item	Source	Description
Asset retirement obligation	Balance sheet	The total liability related to the retirement of assets, per Statement of Financial Standards Number 143.
Cash flow from operations	Statement of cash flows	This is the sum of net income and depreciation, amortization, depletion, and changes in operating accounts, with adjustments for other non-cash income and expense items. Cash flow from operations was introduced with the Financial Accounting Standards Board Statement No. 95, effective for fiscal years after July 15, 1988.
Current assets	Balance sheet	The sum of assets that can be converted into cash within one year or one operating cycle.
Current liabilities	Balance sheet	The sum of liabilities due within one year.
Tangible net worth	Balance sheet	The equity of a company, less the amount of intangible assets shown as an asset of the company. Tangible net worth does not include deferred taxes or investment tax credits.
Tangible U.S. assets	Balance sheet	The difference between the amount of tangible U.S. assets and liabilities associated with the U.S. assets and operations.
Total liabilities	Balance sheet	The sum of current and non-current (that is, long-term) obligations of the company.

Part 4: Definitions

Item	Definition
Current cost of closure estimate	An estimate of the costs of closure, including closing, long-term care, and water management, based on the stack system configuration as of the end of its useful life. [See Rule 62-673.640(2), F.A.C.]
U.S. generally accepted accounting principles (U.S. GAAP)	The set of standards that consist of a hierarchy of principles promulgated from a many sources, including from the Financial Accounting Standards Board.
Investment grade bond rating	The rating of a bond that is evaluated to be of Investment Grade (e.g., BBB or better rating using Standard and Poor's) by either Moody's, Standard and Poor's, or Fitch IBCA/Duff & Phelps for an unsecured and outstanding bond with a maturity of at least five years remaining.