

July 17, 2012

Dear Applicant,

During its June 12 Special Session, the Connecticut General Assembly enacted legislation that has been signed into law as Public Act 12-1. Sections 251 to 263 of this Act contain revisions to the Underground Storage Tank Petroleum Clean-Up Program ("the Program"). In addition, as a result of the hard work of many, under the provisions of a second 2012 public act, section 48 of Public Act 12-189, the General Assembly authorized the State Bond Commission to make \$36 million available, over the next four years, for payment of applications approved under the Program. This represents a significant increase in funding for the Program especially when compared to recent years. In addition, as briefly described below, the revisions require that funds available for payment of applications be distributed across different categories of applicants. The end result will be prompter payment of approved applications.

It also must be recognized that while the Program has been in existence for many years, under the revisions the Program is being phased out and those subject to the UST financial responsibility requirements will need to satisfy that requirement through a mechanism other than the Program.

While certain revisions are highlighted below, the Department of Energy and Environmental Protection ("DEEP") recommends that applicants review the revisions to determine how they apply to any particular applicant. The revisions can be viewed at the Connecticut General Assembly's website at http://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB-6001 (see click on Public Act 12-1 and see sections 251 to 263).

Under the revisions:

- Existing and new applicants will be categorized into municipal, small, mid-size, and large station applicants or those do not fall into any of the aforementioned categories, an other applicant. This categorization will be based upon the number of separate parcel of real property an applicant and its affiliates owned, operated, leased, used, or had an interest in on which an underground storage tank ("UST") was or had been located at the time an applicant's first application was received by the Program.

- Small station applicants are those who with their affiliates had involvement with 5 or fewer sites
- Mid-size station applicants are those who with their affiliates had involvement with between 6 and 99 sites
- Large station applicants are those who with their affiliates had involvement with 100 or more sites

- Program funding, through authorizations by the State Bond Commission, has been increased to \$9 million per year for four years. These funds will be distributed as follows:
 - 25% of funds to municipal and other applicants, with payment prioritized based upon those applications approved earliest;
 - 25% of funds to small station applicants, with payment prioritized based upon those applications approved earliest;
 - 25% of funds to mid-size station applicants, with priority given to applicants who, through a reverse auction, elect to receive the greatest reduction in the amount approved for reimbursement;
 - 25% of funds to large station applicants, with priority given to applications who, through a reverse auction, elect to receive the greatest reduction in the amount approved for reimbursement;
 - In the fiscal year that begins 7/1/2012, payments to mid-size station applicants cannot exceed 35 cents on the dollar of the amount approved for payment, (except mid-size station applicants who elect to not submit applications after 10/1/12 may receive an additional ten cents on the dollar). In each subsequent fiscal year, this 35 cents is increased by 10 cents per year until it reaches one dollar ;
 - In the fiscal year that begins 7/1/2012, payments to large station applicants cannot exceed 20 cents on the dollar of the amount approved for payment. In each subsequent fiscal year, this amount increases by 5 cents per year until it reaches one dollar;

- DEEP will become a successor to the UST Petroleum Clean-Up Review Board;

- Applicants falling into the following categories can no longer file applications under the Program on or after:
 - Oct. 1, 2014 for small station, municipal, and other applicants, provided that the release was reported to the Commissioner before October 1, 2013;

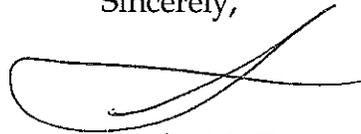
- Oct. 1, 2013 for mid-size station applicants, provided that the release was reported to the Commissioner before October 1, 2012;
- Oct. 1, 2012 for large station applicants;

- The UST Petroleum Clean-Up Program will cease to serve as a financial responsibility mechanism on:
 - October 1, 2012, for those who own or operate USTs on more than five separate sites; and
 - October 1, 2013 for municipalities and for those who own or operate USTs on five or less separate sites.

The Department is currently implementing these revisions and will be providing additional information and assistance to the Program applicants. In the upcoming weeks, the Department will be sending all applicants a form seeking information necessary for the Commissioner to categorize each applicant. In addition, under section 262 of Public Act 12-1, between July 1st and August 1st of each year, or such additional time periods specified by the Commissioner, certain applicants must submit a payment election form. Since implementation of the Program revisions is just beginning, submission of this form will not be required beginning July 1, 2012. Instead, the Commissioner will soon be notifying all applicants of the time period when submission of the form will be required for the fiscal year that began July 1, 2012.

Finally, as the Department continues to implement the Program revisions it will both contact applicants and post additional informational on the Department's website. Applicants should ensure that the contact information provided with its application is updated and correct. Applicants are also advised to check to the Department's website first, and if after doing so any particular questions have not been answered, applicants may call (860) 424-3953 for more assistance. The Department will also try and make itself available for individualized assistance as resources permit.

Sincerely,



Macky McCleary
Deputy Commissioner
Department of Energy and
Environmental Protection