

7045.0610 COST ESTIMATE FOR FACILITY CLOSURE.

Subpart 1. **Cost estimate requirements.** The owner or operator shall prepare a detailed written estimate, in current dollars, of the cost of closing the facility in accordance with the closure plan in part 7045.0594 and applicable closure requirements in parts 7045.0626, subpart 8; 7045.0630, subpart 6; 7045.0632, subpart 7; 7045.0634, subpart 6; 7045.0638, subpart 4; 7045.0640, subpart 5; and 7045.0642, subpart 5; and Code of Federal Regulations, title 40, section 265.1102, as incorporated in part 7045.0649. The closure cost estimate must equal the cost of closure at the point in the facility's operating life when the extent and manner of its operation would make closure the most expensive, as indicated by its closure plan. The closure cost shall be estimated as follows:

A. The closure cost estimate must be based on the costs to the owner or operator of hiring a third party to close the facility. A third party is a party who is neither a parent nor a subsidiary of the owner or operator. The owner or operator may use costs for on-site disposal if it can be demonstrated that on-site disposal capacity will exist at all times through the life of the facility.

B. The closure cost estimate may not incorporate any salvage value that may be realized with the sale of hazardous wastes, or nonhazardous wastes if applicable under part 7045.0596, subpart 2a, facility structures or equipment, land, or other assets associated with the facility at the time of partial or final closure.

C. The owner or operator may not incorporate a zero cost for hazardous wastes, or nonhazardous wastes if applicable under part 7045.0596, subpart 2a, that might have economic value.

Subp. 2. **Yearly update of cost estimate.** During the active life of the facility, the owner or operator shall adjust the closure cost estimate for inflation within 60 days before each anniversary of the date on which the financial instruments used to comply with part 7045.0612 were established. Owners and operators using the financial test or corporate guarantee shall adjust the closure cost estimate for inflation within 30 days after the close of the firm's fiscal year and before submission of updated information to the commissioner as specified in part 7045.0504, subpart 7, item E. The adjustment must be made as specified in items A and B using an inflation factor derived from the annual Implicit Price Deflator for Gross National Product as found in the Survey of Current Business issued by the United States Department of Commerce. The inflation factor is the result of dividing the latest published annual deflator by the deflator for the previous year.

Adjustments must be made as follows:

A. The first adjustment is made by multiplying the closure cost estimate by the inflation factor. The result is the adjusted closure cost estimate.

B. Subsequent adjustments are made by multiplying the latest adjusted closure cost estimate by the latest inflation factor.

Subp. 3. **Cost estimate revisions.** The owner or operator shall revise the closure cost estimate within 30 days after a change in the closure plan increases the cost of closure, or within 30 days after the commissioner has approved the request to modify the plan, for facilities with approved closure plans. The revised closure cost estimate must be adjusted for inflation as specified in subpart 2.

Subp. 4. **Record retention.** The owner or operator shall supply the following to the commissioner upon request, including request by mail until closure is completed: the latest closure cost estimate prepared in accordance with subparts 1 and 3 and, when this estimate has been adjusted in accordance with subpart 2, the latest adjusted closure cost estimate.

Statutory Authority: *MS s 116.07*

History: *9 SR 115; 11 SR 2415; L 1987 c 186 s 15; 13 SR 577; 16 SR 1225; 18 SR 1565; 20 SR 715; 33 SR 2042*

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