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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

DEC 18 2003

BLACK BEAUTY COAL COMPANY)
Coal Preparation Facility - Riola Portal)
PROPERTY IDENTIFICATION NUMBER)
27-33-200-004-8060)
)
)

04-96
PCB 03-
(Tax Certification)

STATE OF ILLINOIS
Pollution Control Board

NOTICE

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

Donald Covert
5949 Beau Jardine Drive
Indianapolis, Indiana 46237

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

PLEASE TAKE NOTICE that I have today filed with the Office of the Pollution Control Board the APPEARANCE AND RECOMMENDATION of the Illinois Environmental Protection Agency, a copy of which is herewith served upon you.

By: Robb H. Layman
Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

Date: December 16, 2003

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276
Telephone: 217/782-5544
Facsimile: 217/782-9807

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

STATE OF ILLINOIS
Pollution Control Board

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Coal Preparation Facility - Riola Portal)
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PROPERTY IDENTIFICATION NUMBER)
27-33-200-004-8060)
)
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04-96
PCB 03-
(Tax Certification)

APPEARANCE

I hereby file my Appearance in this proceeding on behalf of the Illinois Environmental Protection Agency.

By: Robb H. Layman
Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

DATED: December 16, 2003

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RECOMMENDATION

NOW COMES the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (“Illinois EPA”), through its attorneys, and pursuant to 35 Ill. Adm. Code 125.204 of the ILLINOIS POLLUTION CONTROL BOARD’S (“Board”) regulations, files the Illinois EPA’s Recommendation in the above-referenced tax certification request of air pollution control facilities. In support thereof, the Illinois EPA states as follows:

1. On October 22, 2003, the Illinois EPA received a request and supporting information from BLACK BEAUTY COAL COMPANY (“Black Beauty”) concerning the proposed tax certification of air pollution control facilities for certain sources and/or equipment located at its Riola Portal facility. A copy of the relevant portions of the application is attached hereto. [Exhibit A].

2. Additional information concerning the property identification numbers was sent by facsimile to the Illinois EPA on November 13, 2003. [Exhibit B].

3. The applicant’s address is as follows:

Black Beauty Coal Company
 Attention: Mr. Donald Covert
 5949 Beau Jardine Drive
 Indianapolis, Indiana 46237

4. The air pollution control facilities involved in this request are located at 8282

Catlin-Indianola Road, Catlin, Vermilion County, Illinois 61817 and consist of the following:

Coal Preparation Facility whose primary purpose is to remove, through a coal washing process, the sulfur and ash from the coal. The coal washing process reduces sulfur dioxide and particulate matter emissions, which are regulated air pollutants.

5. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2002), defines

“pollution control facilities” as:

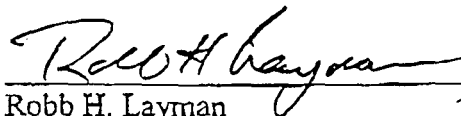
“any system, method, construction, device or appliance appurtenant thereto, or any portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: (a) eliminating, preventing, or reducing air or water pollution... or (b) treating, pretreating, modifying or disposing of any potential solid, liquid, gaseous pollutant which if released without treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property.”

6. Pollution control facilities are entitled to preferential tax treatment, as provided by 35 ILCS 200/11-5 (2002).

7. Based on information in the application and the underlying purpose of the facilities to prevent, eliminate or reduce air pollution, it is the Illinois EPA engineering judgment that the described facilities may be considered as “pollution control facilities” in accordance with the statutory definition and consistent with the Board’s regulations at 35 Ill. Adm. Code 125.200.

8. Because the described facilities satisfy the aforementioned criterion, the Illinois EPA recommends that the Board issue the applicant’s requested tax certification.

Respectfully submitted,
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

By: 
Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

DATED: December 16, 2003

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: 217/782-5544
Facsimile: 217/782-9807

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PROOF OF SERVICE

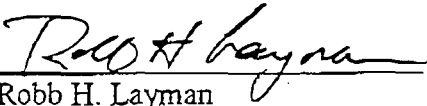
I, the undersigned, certify that I have served the attached Appearance and Recommendation upon the person to whom it is directed, by placing them in an envelope addressed to:

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

Donald Coovert
5949 Beau Jardine Drive
Indianapolis, Indiana 46237

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

and mailing it by First Class Mail from Springfield, Illinois on December 16, 2003. A copy of the attached documents was also filed by facsimile with the Board on this same date.


Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

THIS FILING IS SUBMITTED ON RECYCLED PAPER



PEABODY ENERGY

DAVID R. JOEST
Counsel

7C-03-10-22A
183 F02 AAA

1970 Barrett Court
P.O. Box 1990
Henderson, Kentucky 42419-1990
270.827.0800
270.827.6221 (Writer's Direct)
270.827.6278 (Fax)

October 20, 2003

Mr. Donald E. Sutton
Permit Section
Division of Air Pollution Control
Illinois Environmental Protection Agency
P.O. Box 19276
Springfield, Illinois 62794-9276

**RE: Black Beauty Coal Company
Riola Portal Preparation Plant
Application for Certification of Pollution Control Facility
(Air) (Property Tax Treatment)**

Dear Mr. Sutton:

Enclosed please find an original and one copy of Black Beauty Coal Company's application for certification of its Riola Portal Preparation Plant as an air pollution control facility.

Black Beauty has designated Donald Coover as its representative for purposes of contact and receipt of the certification. Mr. Coover's address and telephone number appear in the application. Please contact him if you require any further information.

Very truly yours,

David R. Joest
Attorney for Black Beauty Coal Company

Enclosures

cc: D. Coover
W. Parke (w/o encl)

RECEIVED
OCT 22 2003
EPA - DAPC - SPFLD

- Exhibit A -

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
APPLICANT	Sec. A Company Name Black Beauty Coal Company			
	Person Authorized to Receive Certification Donald Coovert		Person to Contact for Additional Details Donald Coovert	
	Street Address 5949 Beau Jardine Drive		Street Address 5949 Beau Jardine Drive	
	Municipality, State & Zip Code Indianapolis, IN 46237		Municipality, State & Zip Code Indianapolis, IN 46237	
	Telephone Number (317) 781-2950		Telephone Number (317) 781-2950	
	Location of Facility Quarter Section NE 33	Township 18N	Range 12W	Municipality Jamaica
	Street Address		County Vermilion	Book Number
	Property Identification Number		Parcel Number	
	MANUFACTURING OPERATIONS	Sec. B Nature of Operations Conducted at the Above Location Preparation Plant where coal from Riola Mine Complex - Riola Portal is crushed and washed to remove impurities. After cleaning, the coal is stored in stockpiles prior to loading.		
Water Pollution Control Construction Permit No. N/A		Date Issued N/A		
NPDES PERMIT No. IL 0071021		Date Issued 11/28/01	Expiration Date 08/31/06	
Air Pollution Control Construction Permit No. 95100144 Site ID 183802AAA		Date Issued Prior ownership		
Air Pollution Control Operating Permit No. 95100144 Site ID 183802AAA		Date Issued 10/11/02		
MANUFACTURING PROCESS	Sec. C Describe Unit Process Coal cleaning facility which removes pollutants such as sulfur, ash, shale, fireclay and fine coal.			
	Materials Used in Process Coal, water, magnetite and flocculant			
POLLUTION CONTROL FACILITY DESCRIPTION	Sec. D Describe Pollution Abatement Control Facility See attached description and drawing.			
	<p>RECEIVED OCT 22 2003 EPA-DAPC-SPFLD</p>			

POLLUTION CONTROL FACILITY - CONTAMINANTS ACCOUNTING DATA	Sec. E	(1) Nature of Contaminants or Pollutants		
			Material Retained, Captured or Recovered	
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Fine Refuse	Contain sulfur, fireclay and coal fines.	Trucked to permitted disposal site.
		Coarse Refuse	Shale, sandstone and fireclay.	Trucked to permitted disposal site.
		(2) Point(s) of Waste Water Discharge		
			Plans and Specifications Attached	Yes <input checked="" type="checkbox"/> No
		(3)	Are contaminants (or residues) collected by the control facility?	Yes <input checked="" type="checkbox"/> No
		(4)	Date installation completed <u>2/97</u> status of installation on date of application <u>Operating</u>	
		(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 363,222
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:*	\$ 0	
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
		d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
		e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% 100	

SIGNATURE	Sec. F	The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge, is true and correct. The facilities claimed herein are "pollution control facilities" as defined in Section 11-10 of the Illinois Property Tax Code.	
			Sr. Vice President
		Signature	Title

INSTRUCTIONS	Sec. G	INSTRUCTIONS FOR COMPILING AND FILING APPLICATION			
		General: Separate applications must be completed for each control facility claimed. Do not mix types (water and air). Where both air and water operations are related, file two applications. If attachments are needed, record them consecutively on an index sheet.			
		Sec. A	Information refers to applicant as listed in the tax records and the person to be contacted for further details or for inspection of facilities. Define facility location by street address or legal description. A plat map location is required for facilities located outside of municipal boundaries. The property identification number is required.		
		Sec. B	Self-explanatory. Submit copies of all permits issued by local pollution control agencies. (e.g. MSD Construction Permit)		
		Sec. C	Refers to manufacturing processes or materials on which pollution control facility is used.		
		Sec. D	Narrative description of the pollution control facility, indicating that its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility. State permit number, date, and agency issuing permit. A narrative description and a process flow diagram describing the pollution control facility. Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an <u>average</u> analysis of the influent and effluent of the control facility stating the collection efficiency.		
		Sec. E	List air contaminants, or water pollution substances released as effluents to the manufacturing processes. List also the final disposal of any contaminants removed from the manufacturing processes. Item (1) - Refers to pollutants and contaminants removed from the process by the pollution control facility. Item (2) - Refers to water pollution but can apply to water-carried wastes from air pollution control facilities. Submit drawings, which clearly show (a) Point(s) of discharge to receiving stream, and (b) Sewers and process piping to and from the control facility. Item (3) - If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value in dollars reclaimed by sale or reuse of the collected substances. State the cost of reclamation and related expense. Item (4) - State the date which the pollution control facility was first placed in service and operated. If not, explain. Item (5) - This information is essential to the certification and assessment actions. This accounting data must be completed to activate project review prior to certification by this Agency.		
		Sec. F	Self-explanatory. Signature must be a corporate authorized signature.		
			Submit to:	Attention:	Attention:
			Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Thomas McSwiggin Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

* Cost of reclamation exceeds salvage value.

Riola Mine Complex
Riola Portal Preparation Plant

Black Beauty Coal Company's Riola Mine Complex-Riola Portal Preparation Plant started processing coal in the spring of 1997. The preparation facilities include raw storage facilities, a 300-ton per hour preparation plant, processed coal storage facilities, coarse and fine refuse storage areas, and truck loadout facilities.

The feed for the preparation plant is produced from the Riola Mine Complex-Riola Portal underground mine and stored in a 30,000-ton raw stockpile area. Coal is conveyed from the raw coal stockpile to a 6'x16' scalping screen for size separation. The raw coal is separated at 2 ½ inches. The oversize material is sent to a rotary breaker to reduce the largest size to 2 ½ inches. The crushed material is then remixed with the undersize material from the scalping screen and conveyed to the preparation plant or stockpiled as raw salable coal.

Raw coal that has low ash characteristics is stockpiled separately for blending with processed clean coal. A coal ash analyzer is used to differentiate the high and low ash material at approximately 18% ash.

The preparation plant raw coal feed is screened with (2) 6'x20' double deck screens to separate the material at 1mm. The oversize (coarse) material is pumped to a 33" heavy media cyclone for gravity separation with the use of magnetite. The clean coal product from the heavy media cyclone is dewatered with an 8'x16' double deck vibrating screens and a VC-50 centrifugal dryer. The refuse (non-coal material) from the heavy media cyclone is dewatered with a 6'x16' single deck screen. After dewatering, the material is conveyed to the coarse refuse bunker.

The undersize (fine) material from the plant feed is pumped to (3) 15" classifying cyclones where the material is separated at 100m. The oversize material is sent to (6) triple start spirals for fine coal separation. The clean coal from the spirals is dewatered with a 6'x12' high frequency screen and an EB36 dryer. The refuse from the triple-start spirals is sent to a 2'x7' dewatering screen and conveyed to the coarse refuse bunker. The undersize material from the classifying cyclones is sent to a thickener where flocculants are added to separate the solids from the water. The solids are processed through a belt press to remove excess water and conveyed to the refuse bunker. The clarified water is reused in the preparation process.

The processed coal is conveyed to a 10,000-ton clean coal storage area prior to loading into trucks. Front endloaders are used to load highway trucks for delivery to the customer.

The reject material from the coarse and fine refuse bunker is hauled by large off road trucks to a nearby disposal site.

Venture Management International, Ltd.

5949 Beau Jardin Drive
Indianapolis, IN 46237

Phone: (317) 781-2950

Fax: (317) 781-2948

e-mail: DECoover@aol.com

11 Pages, including cover **Fax Cover Sheet**

CONFIDENTIAL AND PROPRIETARY INFORMATION

This document contains information, which is privileged, proprietary and confidential. It is for the exclusive use of the addressee only. Please note that distribution, dissemination, copying or use of this document, or the concepts contained within is strictly prohibited. If you have received this document in error, please telephone immediately to arrange for prompt return.

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NOV 1 2003

RECIPIENT INFORMATION

FAX NUMBER:

217/524-5023

DELIVER TO:

Floyd McKinney

COMPANY:

Illinois EPA

DATE:

11/13/03

RECIPIENT'S PHONE:

217/782-7187

EPA-DAPC-SPEL

SENDER INFORMATION

SENDER:

Don Coover

PHONE:

FAX:

VOICE MAIL/PAGING:

CELL PHONE:

888/270-3973

ALTERNATE PHONE:

A hard copy of this document will be sent by regular mail.
 will be sent via overnight mail.
 will not be sent under separate cover.

COMMENTS: Floyd - Thanks for the fix#. Here is the info you need. Let me know if you need anything further. Thanks for your help.

Don

STATUS: Urgent For Your Review Reply ASAP Please Comment

Floyd:

You should have three pollution control facility certification applications from Peabody Energy for prep. plants operated by two subsidiaries. The identifying information along with the property identification numbers you need are summarised below:

	<u>#1</u>	<u>#2</u>	<u>#3</u>
Appl. Date	10/14/03	10/20/03	10/20/03
Subsidiary	Arclat	Black Beauty	Black Beauty
Facility Name	Willow Lake	Royal Portal	Vermilion Grove
County	Saline	Vermilion	Vermilion
Sec, Twp, Rge	1, 9S, 7E	33, 18N, 12W	13, 17N, 12W
FC Value	3,500,110	363,222	3,875,625
Prop ID #	07-01-300-001-0080	27-33-200-004-8068	32,13-100-014-0060

Please confirm receipt of this information and that you have all three applications by calling my toll free cell phone @ 888/270-3973. Also, let me know if you need any further information.

Thanks for your help.

Don Coover

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NOV 13 2003

ELLSWORTH COUNTY

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DEC 18 2003

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
DIVISION OF LEGAL COUNSEL
- 1021 NORTH GRAND AVENUE EAST, POST OFFICE BOX 19276
SPRINGFIELD, ILLINOIS 62794-9276
TELEPHONE (217)782-5544 • FACSIMILE (217)782-9807

STATE OF ILLINOIS
Pollution Control Board

DATE: December 16, 2003

FACSIMILE TRANSMITTAL SHEET

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

PARTY'S NAME: Dorothy Gunn
Clerk

FIRM/COMPANY'S NAME: Pollution Control Board

FACSIMILE NO.: _____

TELEPHONE NO.: _____

FROM: Robb Layman

Re: Tax certification pleadings

TOTAL NUMBER OF PAGES (INCLUDING THIS PAGE): 13

HARD COPY WILL X WILL NOT _____ FOLLOW.

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL 217-782-5544.

COMMENTS: I'm sending the three pleadings in
separate faxes... This one is for Black
Beauty Coal Company - Riola Portal facility.

* I'm over-nighting all pleadings in one package for your delivery

IMPORTANT - THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED; AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THE MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE TO DELIVER IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT READING, DISSEMINATING, DISTRIBUTING, OR COPYING THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE. AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.