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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

JUL 14 2004

STATE OF ILLINOIS
Pollution Control Board

HOLLAND ENERGY, LLC-BEECHER CITY)
 (Property Identification Numbers)
 0524-01-00-100-004, 0825-16-00-100-004,)
 0825-16-00-300-002, 0825-16-00-300-003,)
 0825-16-00-200-002))
 Petitioner,) *05-03*
) **PCB 04**
) (Tax Certification)
ILLINOIS ENVIRONMENTAL)
PROTECTION AGENCY)
 Respondent.)

NOTICE

Dorothy M. Gunn, Clerk
 Illinois Pollution Control Board
 James R. Thompson Center
 100 West Randolph Street, Suite. 11-500
 Chicago, Illinois 60601

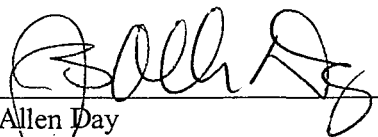
James L. Perry, General Manager
 Holland Energy, LLC
 Rural Route 2, Box 270A
 Beecher City, Illinois 62414-0065

Steve Santarelli
 Illinois Department of Revenue
 101 West Jefferson
 Post Office Box 19033
 Springfield, Illinois 62794

Dan Skowronski, Counsel
 Constellation Power Source Holdings
 100 Market Place, Suite 500
 Baltimore, Maryland 21202

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

ENVIRONMENTAL PROTECTION AGENCY
OF THE STATE OF ILLINOIS

By: 
 James Allen Day
 Assistant Counsel
 Division of Legal Counsel

DATED: July 13, 2004

Illinois Environmental Protection Agency
 1021 North Grand Avenue East
 Post Office Box 19276
 Springfield, Illinois 62794-9276
 217-782-5544

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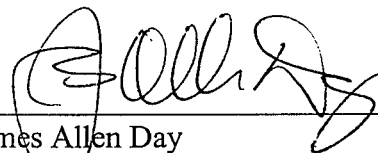
STATE OF ILLINOIS
Pollution Control Board

HOLLAND ENERGY, LLC-BEECHER CITY)
(Property Identification Numbers)
0524-01-00-100-004, 0825-16-00-100-004,)
0825-16-00-300-002, 0825-16-00-300-003,)
0825-16-00-200-002))
Petitioner,) ⁰⁵⁰³ PCB 04
) (Tax Certification)
ILLINOIS ENVIRONMENTAL)
PROTECTION AGENCY)
Respondent.)

A P P E A R A N C E

The undersigned, as one of its attorneys, hereby enters an **APPEARANCE** on behalf of the Respondent, Illinois Environmental Protection Agency.

ENVIRONMENTAL PROTECTION
AGENCY OF THE STATE OF ILLINOIS

By:  _____
 James Allen Day
 Assistant Counsel
 Division of Legal Counsel

DATED: July 13, 2004

Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276
217-782-5544

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STATE OF ILLINOIS
Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

HOLLAND ENERGY, LLC-BEECHER CITY) ⁰⁵⁻⁰³
(Property Identification Numbers) PCB ~~04~~
0524-01-00-100-004, 0825-16-00-100-004,) (Tax Certification)
0825-16-00-300-002, 0825-16-00-300-003,)
0825-16-00-200-002))

RECOMMENDATION

Now Comes the Illinois Environmental Protection Agency ("Illinois EPA") by James Allen Day, one of its attorneys, and pursuant to Section 125.204 of the Illinois Pollution Control Board's (Board) regulations files the following Recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

- 1) On December 31, 2002, the Illinois EPA received a request from Holland Energy, LLC-Beecher City for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204, and noted the request as log number TC-35-02. (Exhibit A)
- 2) The applicant's address is: Holland Energy, LLC
Rural Route 3 Box 270A
Beecher City, Illinois 62414-0065
- 3) The water pollution control facilities in this request are located at Section 16, Township 9 North, Range 4 East of the 3rd Principal Meridian in Shelby County, Illinois at the above street address and consist of the following:

The Circulating Water Chemical Feed System consisting of chemical storage, pumps and appurtenances for the injection of a corrosion inhibitor, sulfuric acid,

and sodium hypochlorite for the minimization of corrosion, scale buildup, and biofouling in the circulating water system which includes the cooling tower.

(These facilities are further described in Exhibit A.)

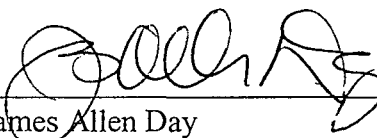
- 4) Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2000), defines “pollution control facilities” as: “any system, method, construction, device or appliance appurtenant thereto or any portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: (a) eliminating, preventing, or reducing air or water pollution ...or (b) treating, pretreating, modifying or disposing of any potential solid, liquid or 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.”
- 5) Pollution control facilities are entitled to preferential tax treatment, 35 ILCS 200/11-5 (2000).
- 6) Based on the information in the application and the purpose of the facilities (reducing maintenance issues and a loss in operational efficiency due to corrosion, scale buildup, or biological growth in the cooling water piping system and cooling tower), it is the Illinois EPA’s engineering judgment that the described facilities are not “pollution control facilities,” pursuant to 35 Ill. Adm. Code 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200. Therefore, the facilities are not eligible for tax certification from

the Board.

- 7) Therefore, the Illinois EPA recommends that the Board deny the requested tax certification.

Illinois Environmental Protection Agency,

By: _____



James Allen Day
Assistant Counsel
Division of Legal Counsel

July 13, 2004

Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276
217-782-5544

STATE OF ILLINOIS

COUNTY OF SANGAMON

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PROOF OF SERVICE

I, the undersigned, on oath state that I have served the attached **APPEARANCE AND RECOMMENDATION**, upon the person to whom it is directed, by placing a copy in an envelope addressed to:

Dorothy M. Gunn, Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite. 11-500
Chicago, Illinois 60601

James L. Perry, General Manager
Holland Energy, LLC
Rural Route 2, Box 270A
Beecher City, Illinois 62414-0065

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
Post Office Box 19033
Springfield, Illinois 62794

Dan Skowronski, Counsel
Constellation Power Source Holdings
100 Market Place, Suite 500
Baltimore, Maryland 21202

and mailing it from Springfield, Illinois on **July 13, 2004** with sufficient postage affixed for first class mail.

Nancy J.D. Lampert

SUBSCRIBED AND SWORN TO BEFORE ME

this thirteenth day of July, 2004

Brenda Boehner
Notary Public

