

\* \* \* \* \* PCB 2006-106 \* \* \* \* \*

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD  
OF THE STATE OF ILLINOIS

MARATHON ASHLAND PETROLEUM, LLC	)	
Floating Roof Tank No. 809	)	
	)	
	)	PCB 06-
	)	(Tax Certification)
PROPERTY IDENTIFICATION NUMBER	)	
51-34-1-21 or portion thereof	)	

NOTICE

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

John S. Swearingen  
 Marathon Ashland Petroleum  
 Refinery Office Building  
 Robinson, Illinois 62454

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

PLEASE TAKE NOTICE that I have today electronically 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 the applicant and a representative of the Illinois Department of Revenue.

Respectfully submitted by,

\_\_\_\_\_/s/\_\_\_\_\_  
 Robb H. Layman  
 Assistant Counsel

Date: December 22, 2005

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
 1021 North Grand Avenue East  
 P.O. Box 19276  
 Springfield, IL 62794-9276  
 Telephone: 217/524-9137





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serves to protect and retain product in storage tanks. However, the nature of the floating roof system also results in the reduction in volatile organic material emissions from the affected storage tank.

4. 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."

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

6. Based on information in the application and the underlying purpose of the Floating Roof Tank No. 809 to prevent, eliminate or reduce air pollution, it is the Illinois EPA's engineering judgment that the described project and/or equipment 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. **[Exhibit B]**.

7. The Illinois EPA notes that the applicant has not documented whether the cost estimate in its application is representative of the total costs for the floating roof system or the incremental costs associated with the proposed floating roof when compared to a conventional roof system. Because storage tanks typically require a roofing system to protect and retain product, the environmental benefits of a particular kind of a roof system would be incidental in relation to the overall purpose of a roof. For

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purposes of this Tax Certification, preferential tax treatment should only be afforded to the incremental cost of the floating roof tank system.

8. Because the Floating Roof Tank No. 809 satisfies the aforementioned criteria, the Illinois EPA recommends that the Board **grant** the applicant's requested tax certification consistent with the conditions expressed herein.

Respectfully submitted by,

ILLINOIS ENVIRONMENTAL PROTECTION  
AGENCY

\_\_\_\_\_/s/\_\_\_\_\_  
Robb H. Layman  
Assistant Counsel

DATED: December 22, 2004

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, Illinois 62794-9276  
Telephone: 217/524-9137

\* \* \* \* \* **PCB 2006-106** \* \* \* \* \*

**CERTIFICATE OF SERVICE**

I hereby certify that on the 22<sup>nd</sup> day of December, 2005, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

Dorothy Gunn, Clerk  
Illinois Pollution Control Board  
100 West Randolph Street  
Suite 11-500  
Chicago, Illinois 60601

and, further, that I did send a true and correct copy of the same foregoing instruments, by First Class Mail with postage thereon fully paid and deposited into the possession of the United States Postal Service, to:

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

John S. Swearingen  
Marathon Ashland Petroleum  
Refinery Office Building  
Robinson, Illinois 62454

\_\_\_\_\_/s/\_\_\_\_\_  
Robb H. Layman  
Assistant Counsel

\*\*\*\*\* PCB 2006-106 \*\*\*\*\*

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

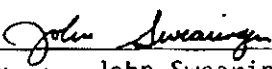
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
 P. O. Box 19276, Springfield, IL 62794-9276

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	
Sec. A APPLICANT	Company Name <b>Marathon Ashland Petroleum LLC</b>			
	Person Authorized to Receive Certification <b>John Swearingen</b>		Person to Contact for Additional Details <b>Dennis Baker</b>	
	Street Address <b>Refinery Office Building</b>		Street Address <b>539 South Main Street</b>	
	Municipality, State & Zip Code <b>Robinson, IL 62454</b>		Municipality, State & Zip Code <b>Findlay, OH 45840</b>	
	Telephone Number <b>618-544-2121</b>		Telephone Number <b>419-421-3759</b>	
	Location of Facility Quarter Section	Township	Range	Municipality Township
	Street Address <b>Route 33</b>		County <b>Crawford</b>	Book Number <b>Robinson</b>
	Property Identification Number		Parcel Number <b>Part of 51-34-1-21</b>	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location <b>Petroleum Refining</b> <b>Floating Roof Tank 809</b>		
		Water Pollution Control Construction Permit No.		Date Issued <b>AFE 241</b>
NPDES PERMIT No.		Date Issued Expiration Date		
Air Pollution Control Construction Permit No.		Date Issued		
Air Pollution Control Operating Permit No. <b>96010007 Title V CAAPP Permit</b>		Date Issued <b>11-24-03</b>		
Sec. C MANUFACTURING PROCESS	Describe Unit Process <b>See Attached</b>			
	Materials Used in Process <b>See Attached</b>			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility <b>See Attached</b>			

**RECEIVED**  
 DEC 30 2004  
 IEPA - DAPC - SPFLD  
**Exhibit A**

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POLLUTION CONTROL FACILITY - CONTAMINANTS	Sec. E	(1) Nature of Contaminants or Pollutants Hydrocarbons		
			Material Retained, Captured or Recovered	
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Hydrocarbons	Hydrocarbons	
		(2) Point(s) of Waste Water Discharge N/A		
			Plans and Specifications Attached	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
		(3)	Are contaminants (or residues) collected by the control facility?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
		(4)	Date installation completed <u>1997</u> status of installation on date of application <u>100%</u>	
ACCOUNTING DATA	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ <u>351,000</u>	
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ <u>5,265</u>	
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ <u>2000</u>	
		d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ <u>2000</u>	
		e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% <u>.0379</u>	
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.		
			<u>12/29/04</u>	
		Signature John Swearingen	Title Illinois Refining Division Manager	
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 <u>pollution control facility</u> . 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



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**Section C**

**Describe Unit Process:**

A floating roof was installed on tank 809 to control hydrocarbon emissions. The installation of this vapor control device reduces emissions of volatile organic compounds.

**Section C**

**Materials used in process:**

Floating roof and vapor controls (seals, gaskets, closure devices, etc.).

**Section D**

**Pollution Control Facility Description**

A floating roof was installed on tank 809 to control hydrocarbon emissions. The installation of this vapor control device reduces emissions of volatile organic compounds.

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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

ROD R. BLAGOJEVICH, GOVERNOR DOUGLAS P. SCOTT, DIRECTOR



Memorandum

Technical Recommendation for Tax Certification Partial

Date: October 27, 2005  
To: Robb Layman  
From: Don Sutton *DES*  
Subject: Marathon Ashland Petroleum LLC TC-04-30-12M

This Agency received a request on December 30, 2004 from Marathon Ashland Petroleum LLC for an Illinois EPA recommendation regarding tax certification of air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204. I offer the following recommendation.

The air pollution control facilities in this request include the following:

Floating Roof Tank 809 whose primary purpose is to reduce VOC emissions from tank 809. All tanks must have a roof whose primary purpose is to protect and retain the stored product. Only the incremental cost of the floating roof over the cost of a fixed roof are eligible for certification.

This facility is located 100 Marathon Avenue, Robinson  
The property identification number is Part of 51-34-1-21

Based on the information included in this submittal, it is my engineering judgement that the proposed facility may be considered "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in this section, and therefore eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is my recommendation that the Board issue the requested tax certification for the incremental cost differential of the floating roof.

— *Exhibit B* —