

***** PCB 2006-114 *****

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

MARATHON ASHLAND PETROLEUM, LLC)
Cooling Water Tower Automation and Control)
) 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

equipment designed to improve the quality of the cooling water and minimize corrosion. Notwithstanding the limited information contained within the application for tax certification, it does not appear that the overall project, or even portions thereof, is primarily meant to reduce or eliminate air pollution. The description of the project instead suggests that it was intended solely as a process-related improvement to reduce corrosion on affected equipment.

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, it is the Illinois EPA's engineering judgment that the described project and/or equipment may not 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. Because the Cooling Water Tower Automation and Control system does not satisfy the aforementioned criteria, the Illinois EPA recommends that the Board **deny** the applicant's requested tax certification.

* * * * * PCB 2006-114 * * * * *

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

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd 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

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APPLICATION FOR CERTIFICATION PROPERTY TREATMENT
 POLLUTION CONTROL FACILITY
 AIR WATER

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62714-0276

APPLICANT'S CONTACT INFORMATION
 Name: Dennis Baker
 Title: General Manager
 Address: 539 South Main Street
 Findlay, OH 45840
 Telephone: 419-421-3759

File No.	Date Received	Continuation No.	Date
Sec. A MANUFACTURING FACILITY	Company Name Marathon Ashland Petroleum LLC		Person to Contact for Additional Information Dennis Baker
	Person Addressed to Receive Certification John Swearingen		Street Address 539 South Main Street
	Street Address Refinery office building		Municipality, State & Zip Code Findlay, OH 45840
	Municipality, State & Zip Code Findlay, OH 45840		Telephone Number 419-421-3759
	Telephone Number 612-544-2121		Municipality Robinson
	County Clark		Township Robinson
	Property Identification Number Route 22		Parcel Number Crawford
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
	Cooling Water Tower Automation and Control		
	Water Pollution Control Construction Permit No.	Date Issued	
	NPDES PERMIT No.	Date Issued	Expiration Date
	Air Pollution Control Construction Permit No.	Date Issued	
Sec. C MANUFACTURING PROCESS	Describe Unit Process See Attached		
	Materials Used in Process See Attached		
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See Attached		

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DECEMBER 22 2005

— Exhibit A

***** PCB 2006-114 *****

Contaminant or Pollutant	Chemical Name	Physical Name
Bleach	Bleach	Bleach
Sulfuric Acid	Sulfuric Acid	Sulfuric Acid

(c) Funding of Waste Water Discharge

Item	Amount	Percentage	Attached	Yes	No
(A) Are expenditures for removal allocated to the treatment facility?				<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Date installation completed (month/year) status of installation on date of application					100%
(C) GROSS INVESTMENT IN CAPITAL EXPENDITURE BY THE FACILITY	\$	359,150			
(D) NET SALVAGE VALUE IF CONSIDERED RELEVANT	\$	5,387			
(E) GROSS INVESTMENT IN CAPITAL EXPENDITURE BY OTHERS	\$	2,000			
(F) GROSS INVESTMENT IN CAPITAL EXPENDITURE BY OTHERS	\$	2,000			
(G) NET INVESTMENT IN CAPITAL EXPENDITURE BY OTHERS	\$	0,387			

This flow sheet information submitted in accordance with the Illinois Pollution Control Act, as amended, and to the best of my knowledge, is true and correct. It is hereby declared to be true and correct for the purposes of the Illinois Pollution Control Act and the Illinois Pollution Control Board's rules thereunder.

Signature: *John Swartzinger* Date: *12/29/04*
 Name: John Swartzinger Title: Illinois Refining Division Manager

INSTRUCTIONS FOR COMPLETING AND FILING APPLICATION

General: Separate applications must be completed for each point of facility discharge. 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 on the form 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. MHD 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 flow diagram with a cash value for real property. Include an average 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 1111 East 19th St. Springfield, IL 62754-9278	Thomas M. Swartzinger Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

Section C

Describe Unit Process:

Cooling Water Tower Automation and Control. pH and oxygen reduction potential probes were installed into sample streams off of the cooling water towers. A controller was installed on each of the probes to automatically adjust the rate of either bleach or sulfuric acid that is going into the towers. Corraters were installed to indicate the corrosion rate for the two most common tube bundle metallurgies. This has improved the quality of the cooling water, lessening the effects of a leak into the system as well as minimizing the corrosion.

Section C

Materials used in process:

pH and oxygen reduction potential probes, controller, and corraters

Section D

Pollution Control Facility Description

Cooling Water Tower Automation and Control. pH and oxygen reduction potential probes were installed into sample streams off of the cooling water towers. A controller was installed on each of the probes to automatically adjust the rate of either bleach or sulfuric acid that is going into the towers. Corraters were installed to indicate the corrosion rate for the two most common tube bundle metallurgies. This has improved the quality of the cooling water, lessening the effects of a leak into the system as well as minimizing the corrosion.

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Memorandum

Technical Recommendation for Tax Certification Denial

Date: 12/21/05

To: Board of Taxation

From: [Redacted]

Subject: Marathon America, Inc. 51-34-1-21

This Agency received a request on December 14, 2005 from Marathon America Petroleum Company, Inc. (MA) for a recommendation regarding tax certification for a pollution control facility located at 1800 Aledo Road, Aledo, IL 62404. I refer to the following recommendation:

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

Cooling Water Tower Automation and Control, Corrosion within the cooling tower. Because the primary purpose isn't the reduction of Air Pollution and it does not meet the definition of a "Pollution Control Facility," it is therefore denied.

This facility is located at 1800 Marathon Avenue, Robinson
The property identification number is Part of 51-34-1-21

Based on the information provided in this submittal, it is my engineering judgement that the proposed facility may not be considered "Pollution Control Facilities" under 35 IAC 125.00(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in this section, and therefore not eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is my recommendation that the Board deny the requested tax certification for this facility.

— Exhibit B —