

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS**

WRB REFINING, LLC)
Pump LDAR Phase II Project)
)
) PCB 12-
) (Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)
19-1-08-35-00-000-001, or portion thereof)

NOTICE

TO: [Electronic filing] [Service by mail]
John Therriault, Assistant Clerk Michael Kemp
Illinois Pollution Control Board WRB Refining, LLC
State of Illinois Center 404 Phillips Building
100 W. Randolph Street, Suite 11-500 Bartlesville, Oklahoma 74004
Chicago, Illinois 60601

[Service by mail]
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 paper 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
Robb H. Layman
Assistant Counsel

Date: November 29, 2011

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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OF THE STATE OF ILLINOIS**

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Pump LDAR Phase II Project)
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19-1-08-35-00-000-001 or portion thereof)

APPEARANCE

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

Respectfully submitted by,

/s/ Robb H. Layman

Robb H. Layman
Assistant Counsel

Date: November 29, 2011

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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”) procedural regulations, files the Illinois EPA’s Recommendation in the above-referenced request for tax certification of pollution control facilities. The Illinois EPA recommends **issuance** of a tax certification covering the subject matter of the request. In support thereof, the Illinois EPA states as follows:

1. On or about October 14, 2010, the Illinois EPA received an application and supporting information from WRB REFINING, LLC, (“WRB Refining”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Wood River petroleum refinery in Madison County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

2. The applicant’s principal business address is as follows:

WRB Refining LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

3. The facility address is as follows:

WRB Refining LLC
900 South Central Avenue
P.O. Box 76
Roxana, Illinois 62084

4. The subject matter of this request involves the installation of various packing or mechanical seal systems to certain pumps used at the refinery, which can emit hydrocarbons to the atmosphere due to leakage around pump shafts. The affected pumps included the following: pump P55123 for the Fluid Catalytic Cracking Unit No. 1; pumps P3924, P3930 and P3948 for the Crude Distillation Unit DU-2; and pumps P7004, P7005 and P81037 for the Gas Plant. The various pump upgrades were made in compliance with regulatory Leak Detection and Repair (“LDAR”) requirements. The Pump LDAR Phase II Project acts to reduce or prevent the release of light hydrocarbons, thereby reducing or preventing the emissions of volatile organic materials that would otherwise be emitted to the atmosphere.

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 Pump LDAR Phase II Project to prevent, eliminate or reduce air pollution, it is the Illinois EPA’s engineering judgment that the various systems, constructions, devices and/or buildings or equipment from the project relating to air pollution control 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]**.

8. Because the substantive components of the application for the Pump LDAR Phase II Project satisfies the aforementioned criteria, the Illinois EPA recommends that the Board issue the applicant's requested tax certification.

Respectfully submitted by,

/s/ Robb H. Layman

Robb H. Layman
Assistant Counsel

DATED: November 29, 2011

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 29th day of November, 2011, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

John Therriault, Assistant 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 paper 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

Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

/s/ Robb H. Layman

Robb H. Layman
Assistant Counsel

APPLICATION FOR CERTIFICATION (PROCESSED BY 2012-09-01) * * *

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 ConocoPhillips Company			
	Person Authorized to Receive Certification Michael Kemp		Person to Contact for Additional Details Gordon Terhune	
	Street Address 404 Phillips Building		Street Address 900 S. Central Ave., P.O. Box 76	
	Municipality, State & Zip Code Bartlesville, OK 74004		Municipality, State & Zip Code Roxana, IL 62084	
	Telephone Number (918) 661-9055		Telephone Number (618) 255-2876	
	Location of Facility Quarter Section	Township	Range	Municipality Township
	Street Address 900 S. Central Ave.		County Madison	Book Number
	Property Identification Number		Parcel Number 19-1-08-35-00-000-001	
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining			
	Water Pollution Control Construction Permit No.		Date Issued	
	NPDES PERMIT No. IL0000205	Date Issued 04/14/04	Expiration Date 04/14/09	
	Air Pollution Control Construction Permit No. NA		Date Issued	
	Air Pollution Control Operating Permit No. 95120306		Date Issued 11/07/03	
Sec. C MANUFACTURING PROCESS	Describe Unit Process See Pump LDAR Phase II Project attachment.			
	Materials Used in Process Mechanical Seals and Packing Light Hydrocarbons			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See Pump LDAR Phase II Project attachment.			

POLLUTION CONTROL FACILITY - CONTAMINANTS	Sec. E (1) Nature of Contaminants or Pollutants		
			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Hydrocarbon Fugitive Emissions	light hydrocarbons	Retained and sold as product
ACCOUNTING DATA	(2) Point(s) of Waste Water Discharge		
	Plans and Specifications Attached		Yes <input checked="" type="checkbox"/> No <input 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>12/31/07</u> status of installation on date of application <u>100%</u>		
	(5) a. TOTAL INSTALLED COST	\$ 150,000.00	
	b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 0.00	
	c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0.00	
d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0.00		
e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% To Be Determined		

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.		
	 _____ Signature	<u>DIRECTOR - PTRAC</u> _____ 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 <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	Al Keller Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

**APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
POLLUTION CONTROL FACILITY
WRB – Wood River Refinery**

Project: Pump LDAR Phase II Project

Section C – Manufacturing Process

Process Description:

Pumps are an integral part of general refining processes. Most pumps used in the refinery are centrifugal type. Centrifugal pumps are driven by a motor or turbine that turns a rotating shaft that turns an impeller. The impeller is located inside the pump case and is what contacts the liquid to be pumped. Because clearance is required between the pump case and the rotating shaft there is a potential for liquid or vapors to leak around the shaft. To prevent this leakage pumps incorporate either packing or a mechanical seal as part of their Fugitive Emissions Program (FEP).

Section D – Pollution Control Facility Description

To reduce fugitive emissions from pumps, an EPA mandated Leak Detection and Repair Program was instituted to detect excessive emissions and repair the pumps as necessary. Effective June 30, 2006 the allowable leakage limit was lowered from 10,000 ppm to 2,000 ppm.

This project identified 7 different pumps in the refinery in need of improvement and modified the pumps and seal systems on these pumps to reduce fugitive emissions to below 2000 ppm. The pumps included P55123 in Catalytic Cracking Unit 1, P3924, P3930, and P3948 in Crude Distillation Unit DU-2, P7004/5 in Gas Plant, and P81037 in Gas Plant. This project was completed solely to reduce air pollution by reducing light hydrocarbons emissions from these pumps.

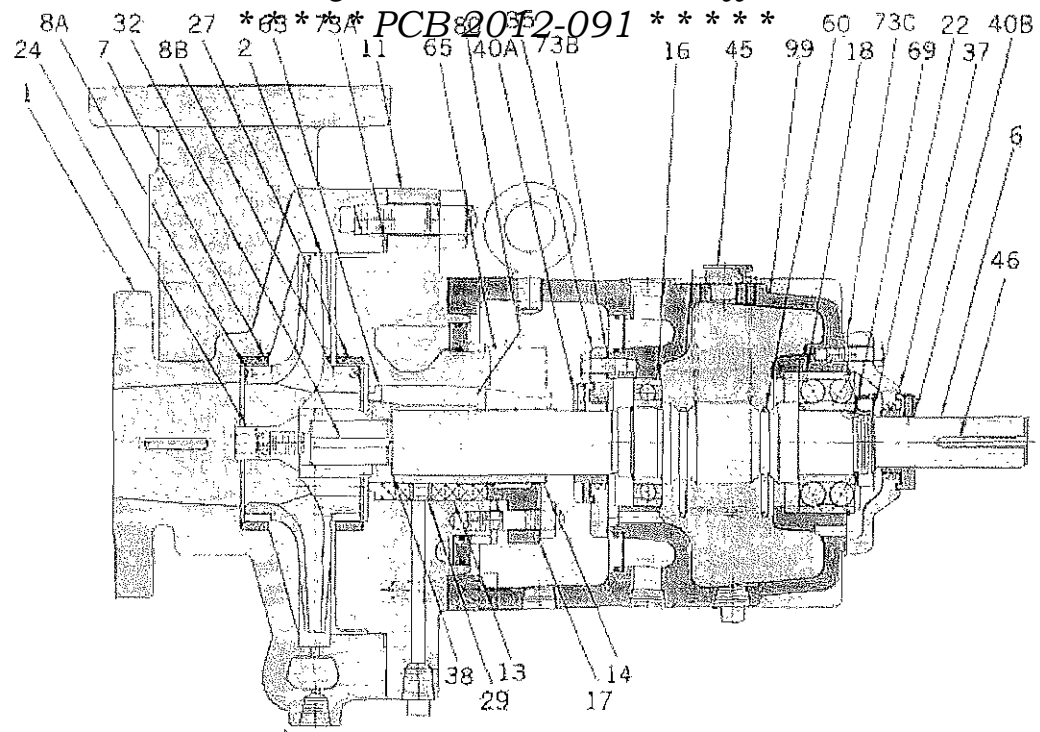


Fig. 13 OVERHUNG IMPELLER, SEPARATELY COUPLED, SINGLE STAGE, CENTERLINE SUPPORT, API 610

1	Casing	24	Nut, Impeller	63	Bushing, Stuffing Box
2	Impeller	27	Ring, Stuffing Box Cover	65	Seal, Mechanical, Stationary Element
6	Shaft, Pump	29	Ring, Lantern	69	Lockwasher
7	Ring, Casing	32	Key, Impeller	73A	Gasket, Casing
8A	Ring, Impeller, Eye	35	Cover, Bearing, Inboard	73B	Gasket, Inboard Cover, Bearing Housing
8B	Ring, Impeller, Hub	37	Cover, Bearing, Outboard	73C	Gasket, Outboard Cover, Bearing Housing
11	Cover, Stuffing Box	38	Gasket, Shaft Sleeve	80	Seal, Mechanical, Rotating Element
13	Packing	40A	Deflector, Inboard	99	Housing, Bearing
14	Sleeve, Shaft	40B	Deflector, Outboard		
16	Bearing, Inboard	45	Cover, Oil Bearing Cap		
17	Gland	46	Key, Coupling		
18	Bearing, Outboard	60	Ring, Oil		
22	Locknut, Bearing				

The numbers shown on this drawing do not necessarily represent standard part numbers in use by any manufacturer.

Memorandum

Technical Recommendation for Tax Certification Denial

Date: November 23, 2011
To: Robb Layman
From: Ed Bakowski *EB*
Subject: WRB Refining, LLC. TC-10-10-14AX

This Agency received a request on October 14, 2010 from WRB Refining, 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:

Pump LDAR Phase II Project whose primary purpose is to prevent the leakage of vapors between the pump case and the rotating shaft. 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 900 S. Central Avenue, Roxana, Madison County
The property identification number is 19-1-08-35-00-000-001

Based on the information included in this submittal, it is my engineering judgment 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.

FEM:FILL_INITIALS_IN