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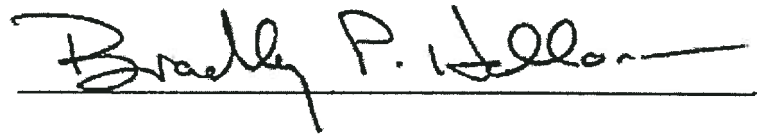
February 9, 2005

CITGO PETROLEUM CORPORATION and)
PDV MIDWEST REFINING, L.L.C.,)
)
Petitioner,)
)
v.) PCB 05 - 85
) (Variance - Water)
)
ILLINOIS ENVIRONMENTAL)
PROTECTION AGENCY,)
)
Respondent.)

HEARING OFFICER ORDER

The petitioner is directed to submit responses to the attached questions propounded by the Board's technical unit. The petitioner is requested to either submit its responses on February 17, 2005, with the pre-filed testimony or at the hearing scheduled for February 24, 2005.

IT IS SO ORDERED.



Bradley P. Halloran
Hearing Officer
Illinois Pollution Control Board
James R. Thompson Center, Suite 11-500
100 W. Randolph Street
Chicago, Illinois 60601
312.814.8917

**Questions for CITGO Petroleum and PDV Midwest Refining
Pertaining to the Variance Petition Informational Requirements
at 35 Ill. Adm. Code 104**

(Docket PCB 05-85)

1. 35 Ill. Adm. Code 104.204(a) - Description of regulation from which a variance is sought and effective date. It is unclear if petitioner is seeking relief from the TDS and sulfate WQS or just TDS.

“PDV...and CITGO..petition the [IPCB] for a variance authorizing discharges of ...(TDS) and sulfates....” (Pet. at 1.)

“...CITGO therefore requests a 5-year variance with respect to ..35 IAC 302.208(g) and 302.407 regarding TDS.” (Pet. at 2.)

Please clarify whether the petitioners are seeking relief from 302.208(g) for both TDS and sulfates.

2. 35 Ill. Adm. Code 104.204(b)(1) - The location of, and area affected by, the petitioner's activity.

While the petition notes that the facility is located in Lemont, Illinois, the petition does not include a mailing address. Please provide the facility's address.

3. 35 Ill. Adm. Code 104.204(b)(3) - Prior variance issued to the petitioner and, if known, the petitioner's predecessors, concerning similar relief.

The petition on page 4 mentions the Refinery has been subject to a site-specific rule for ammonia discharges. Could you please site to the original and subsequent rulemakings and the site-specific section of the Illinois Administrative Code?

4. 35 Ill. Adm. Code 104.204(b)(6) - Nature and amount of the materials used in the process or activity for which the variance is sought and a full description of the particular process or activity in which the materials are used.

a) The petition states that TDS is generated when airborne SO₂ is converted to sodium sulfate salts in the wet gas scrubber and discharged into the WWTP. (Pet. at 5) Please provide information about the chemicals that CITGO plans to use in the wet scrubber to remove SO₂.

b) In R98-14, PDV Midwest Refining's 1997 petition indicated the maximum monthly production rate observed at the refinery was 162,219 barrels per day and employed 650 people. (R98-14 Pet. at 5.) In the instant petition, the average daily production

is listed at 168,626 barrels per day and the number of employees is 530. (Pet. at 2.) Please comment on how the production rate is projected to change in the future, and how it will impact the amount of TDS and sulfates discharged.

5. 35 Ill. Adm. Code 104.204(b)(7) - Relevant pollution control equipment already in use.

On page 7, the petition states that “The Board has previously found that the wastewater treatment system goes beyond Best Available Technology (‘BAT’) requirements.” (Pet. at 7.) Would you please clarify whether this statement refers to BAT pursuant to 40 CFR 419.23, only as it relates to ammonia nitrogen as N?

6. 35 Ill. Adm. Code 104.204(b)(8) - Nature and amount of emissions, discharges or releases of the constituent in question currently generated by the petitioner's activity.

- a) What are the current concentrations of TDS and sulfates in the WWTP discharge (before operation of the scrubber)?
- b) Pet. at 2 states that the Refinery discharges approximately 3.8 mgd. How many more gallons per day will the wet gas scrubber contribute to the WWTP effluent?
- c) What are the expected concentrations of TDS and sulfates in the purge water from the wet scrubber?
- d) What are the expected concentrations of TDS and sulfates in the WWTP discharge after the wet scrubber begins operation?

7. 35 Ill. Adm. Code 104.204(c) - Data describing the nature and extent of the present or anticipated failure to meet the regulation from which variance is sought and facts that support petitioner's argument that compliance with the regulation was not or cannot be achieved by any required compliance date.

- a) Besides the peak TDS results in the Canal and Des Plaines River from 3-16-00 and 1-4-01 provided on page 5 of the petition, could you provide other historic data showing the TDS and sulfates levels in the receiving waters?
- b) Would you please comment on whether any stream studies or modeling have been done to better define the impact and contribution the new discharge would have on water quality violations in the receiving stream.

8. 35 Ill. Adm. Code 104.204(d) - Efforts that would be necessary for the petitioner to achieve immediate compliance with the regulation.

Please provide more detail on the cost figures for the falling film evaporator presented on pages 10-11 of the petition.

9. 35 Ill. Adm. Code 104.204(f) - A detailed description of the compliance plan.
- a) The schedule for final compliance included on pages 10-11 references submission to IEPA of a wastewater construction permit by December 31, 2004. (Pet. at 10-11.) Would you please elaborate on this and whether TDS and sulfate levels in the wastewater treatment effluent would be affected when construction is completed?
 - b) IEPA's recommendation on page 7 states, "CITGO has informally provided additional information and described to the satisfaction of the Illinois EPA an alternative compliance plan. However, CITGO has not yet formally introduced this additional information into the record of this matter." Would CITGO please share this information with the Board?
10. 35 Ill. Adm. Code 104.204(g) - A description of the environmental impact of the petitioner's activity.
- a) IEPA's recommendation on page 4 states, "the Consent Decree has not yet been accepted by the court with jurisdiction over the air pollution case." Please provide an update on the status of the Consent Decree and CITGO's obligation to install the wet gas scrubber.
 - b) The petition on page 6 states that the scrubber will add 304,000 lbs/day of TDS to the receiving waters. Please comment on the impact of sulfates loading.
 - c) What are the current average in-stream concentrations of TDS and sulfates?
 - d) Please clarify whether the "low flow conditions" referred to on page 6 of the petition are equivalent to the 7Q10 flow.
 - e) Please indicate if the current and amended NPDES Permits allow for mixing for Outfall 001?
 - f) Would you please describe measures to be undertaken during the period of the variance to minimize the impact of the discharge during times of expected water quality violations, such as during deicing periods? For instance, in a similar variance request, Marathon Ashland implemented a managed release program in which permissible TDS effluent concentrations were controlled by the ambient flow in the receiving waters using a mathematical equation. (See PCB 01-74.)
11. 35 Ill. Adm. Code 104.204(i) - If the requested variance involves an existing permit or a pending permit application, a copy of the material portion of the permit or permit application must be appended to the petition

Please provide a copy of the existing NPDES permit and the NPDES permit application submitted to the IEPA on 8-5-04.

12. 35 Ill. Adm. Code 104.204(j) - Any conditions petitioner suggests for the requested variance.

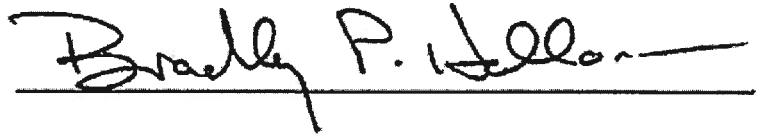
To help provide assurance that the occasional water quality violations in the receiving waters are not due to the Refinery's discharge, would you propose interim effluent limits for TDS and sulfates that would be in effect for the term of the variance? Would you also propose a monitoring plan to track TDS and sulfate concentrations in the discharge and to assure interim limits are met?

CERTIFICATE OF SERVICE

It is hereby certified that true copies of the foregoing order were mailed, first class, on February 9, 2005, to each of the persons on the attached service list.

It is hereby certified that a true copy of the foregoing order was hand delivered to the following on February 9, 2005:

Dorothy M. Gunn
Illinois Pollution Control Board
James R. Thompson Center
100 W. Randolph St., Ste. 11-500
Chicago, Illinois 60601

A handwritten signature in black ink that reads "Bradley P. Halloran". The signature is written in a cursive style and is positioned above a solid horizontal line.

Bradley P. Halloran
Hearing Officer
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite 11-500
Chicago, Illinois 60601
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PCB 2005-085

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