

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

WRB Refining LLC)
(Property Identification Number) PCB 014-
19-1-08-35-00-00-001) (Tax Certification)
)

NOTICE

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

Michael Kemp
404 Phillips Building
Bartlesville, Oklahoma 74004

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

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.

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

DATED: March 19, 2014

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

THIS FILING IS SUBMITTED ON RECYCLED PAPER

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

WRB Refining LLC)
(Property Identification Number) PCB 014-
19-1-08-35-00-00-001) (Tax Certification)
)

A P P E A R A N C E

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

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

DATED: March 19, 2014
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276
(217)782-5544

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

WRB Refining LLC)
(Property Identification Number) PCB 014-
19-1-08-35-00-00-001) (Tax Certification)
)

RECOMMENDATION

The Illinois Environmental Protection Agency ("Illinois EPA") hereby files its Recommendation pursuant to Section 125.204 of the regulations of the Illinois Pollution Control Board, 35 Ill. Adm. Code 125.204.

1. On June 29, 2011, the Illinois EPA received a request from WRB Refining LLC (log number TC-15-11, Exhibit A) for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

2. The applicant's address is: WRB Refining LLC
900 S. Central Ave
Roxanna, Illinois 62084

3. The proposed water pollution control facilities in this request are located at Section 35 NE/NW/SE/SW, T5N, R9W in Madison County, at the above street address and consist of the following:

Upgrading air to soil interfaces for buried pipe, which involves relocating underground lines to above ground lines, installing linings in existing underground lines, installing cathodic protection systems with remote monitoring on storage tanks and associated lines, and installing protective coatings on lines.

These facilities are further described in Exhibit A.

4. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2010), 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

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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.

6. Based on the information in the application and the purpose of the facilities, 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, and are eligible for tax certification from the Board. Specifically, the Illinois EPA finds that the primary purpose of the lines that were upgraded is to convey product, not to eliminate, prevent, or reduce water pollution.

WHEREFORE, the Illinois EPA recommends that the Board deny the

requested tax certification. The applicant has 35 days after the date of service to file a petition with the Board to contest the Illinois EPA's recommendation (35 Ill. Adm. Code 125.204).

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: 
Vera Herst
Assistant Counsel
Division of Legal Counsel

Dated: March 19, 2014
Illinois Environmental Protection Agency
1021 North Grand Ave. E.
P.O. Box 19276
Springfield, Illinois 62794-9276
217/782-5544

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STATE OF ILLINOIS)
)
COUNTY OF SANGAMON)
)
)

PROOF OF SERVICE

I, the undersigned attorney at law, hereby certify that on March 19, 2014, I served true and correct copies of an **APPEARANCE AND THE RECOMMENDATION**, upon the persons and by the methods as follows:

[1st Class U.S. Mail]

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

[1st Class U.S. Mail]

Michael Kemp
404 Phillips Building
Bartlesville, Oklahoma 74004

[Electronic Filing]

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

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

/s/ Vera Herst
Assistant Counsel
Division of Legal Counsel
1021 North Grand Avenue East
P.O. Box 19276-
Springfield, Illinois 62794-9276
217.782.5544
217.782.9143 (TDD)

THIS FILING IS SUBMITTED ON RECYCLED PAPER



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East, P.O. Box 19276, Springfield, Illinois 62794-9276 • (217) 782-2829
James R. Thompson Center, 100 West Randolph, Suite 11-300, Chicago, IL 60601 • (312) 814-6026

PAT QUINN, GOVERNOR

Memorandum

To: Connie Tonsor, Division of Legal Counsel

From: Alan Keller, Manager, Permit Section *AK*

Date: November 21, 2011

Re: WRB Refining LLC - Denial
Recommendation of Tax Certification
Log # TC-15-11
Property Identification # 19-1-08-35-00-000-001

The Bureau of Water received a request on June 29, 2011 from WRB Refining LLC for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Il. Adm. Code 125.204. We offer the following recommendation.

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

WRB Refining LLC
404 Phillips Building
Bartlesville, OK 74004

Facility location: 900 S. Central Avenue in Roxana, Illinois.

Upgrading air to soil interfaces for buried pipe. The project involved relocating underground lines to above ground lines, installing linings in existing underground lines, installing cathodic protection systems with remote monitoring on storage tanks and associated lines and installing protective coatings on lines.

These facilities are further described in the enclosed applications and supporting documents.

Based on the information included in this submittal, it is our engineering judgment that the above proposed facilities are not considered "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in this section, and therefore eligible for tax certification from the Illinois Pollution Control Board. The primary purpose of the lines

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Log No. TC-15-11

that were upgraded are to convey product not eliminate, prevent, or reduce water pollution.

The Bureau of Water therefore recommends that the Board deny the requested tax certification for these facilities.

If you have any questions regarding the above, please contact Jaime Rabins at 217/782-0610.

SAK:JAR:TC1511.docx

cc: Tax Cert File

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY

Subject: WRB Refining LLC

Page 1 of 1

Data: TC-15-11

Reviewed By: Jaime Rabins

Date: July 13, 2011

Applicant: WRB Refining LLC
404 Phillips Building
Bartlesville, OK 74004

Facility location: 900 S. Central Avenue in Roxana, Illinois.

On June 29, 2011 the Agency received a request to make a recommendation regarding the tax certification for the following:

Upgrading air to soil interfaces for buried pipe. The project involved relocating underground lines to above ground lines, installing linings in existing underground lines, installing cathodic protection systems with remote monitoring on storage tanks and associated lines and installing protective coatings on lines.

The above project does not meet the definition of Pollution Control Facilities as defined in 35 IAC 125.200(a) because the primary purpose of the lines that were upgraded are to convey product not eliminate, prevent, or reduce water pollution.

Action: Recommend for denial of Pollution Control Facilities.

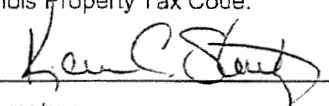
APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

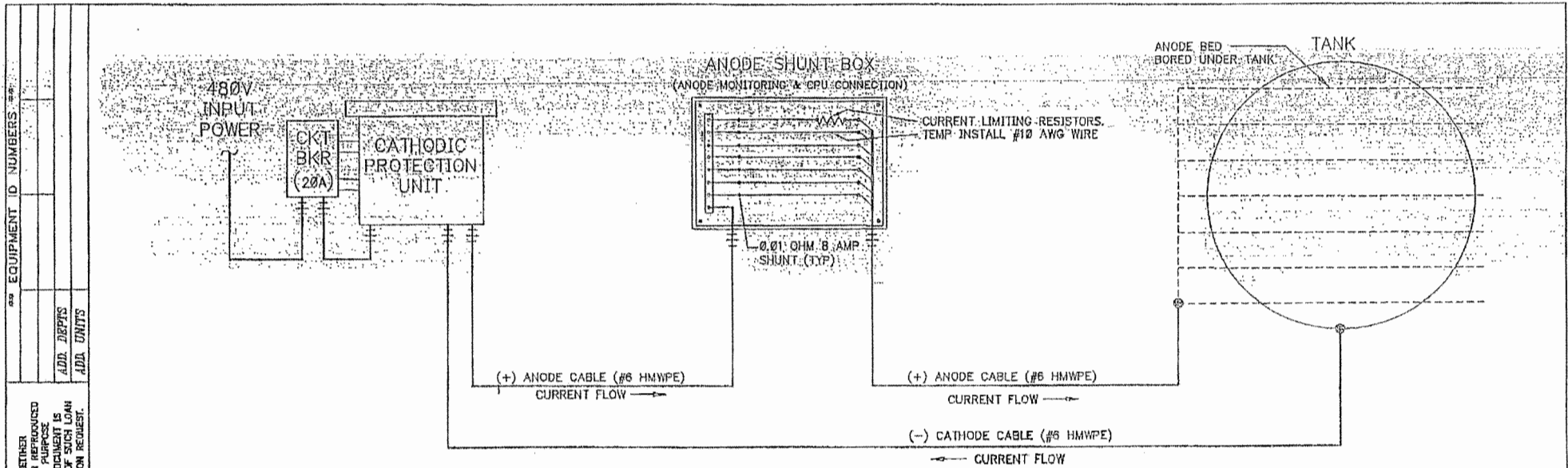
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

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 WRB Refining LLC			
	Person Authorized to Receive Certification Michael Kemp		Person to Contact for Additional Details Jay Rankin	
	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) 255-2737	
	Location of Facility Quarter Section Township Range 35 NE/NW/SE/SW 5 N 9 W		Municipality Township Roxana Wood River	
	Street Address 900 S. Central Ave.		County Book Number Madison	
	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. NA		Date Issued
NPDES PERMIT No. IL0000205		Date Issued 04/14/04	Expiration Date 04/14/09	
Air Pollution Control Construction Permit No.		Date Issued		
Air Pollution Control Operating Permit No. 95120306		Date Issued 11/07/03		
Sec. C MANUFACTURING PROCESS	Describe Unit Process Refinery feeds, products, and intermediate streams are transferred between units and storage tanks through a system of both above ground and underground pipes.			
	Materials Used in Process Refinery feedstocks and products including Crude Oil, Gasoline, Benzene, Kerosene, Diesel, #6 oil, asphalt and refinery intermediate streams.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See Underground Piping Program attachment.			

Sec. E	(1) Nature of Contaminants or Pollutants		
POLLUTION CONTROL FACILITY - CONTAMINANTS			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Liquid hydrocarbons in water	C5-asphalt	Retained and sold as product
	Water soluble hydrocarbons	C5-asphalt	Retained and sold as product
(2) Point(s) of Waste Water Discharge			
Through Waste Water Treatment Plant then to Mississippi River			
		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 type="checkbox"/> No <input checked="" type="checkbox"/>
(4)	Date installation completed <u>11/15/10</u> status of installation on date of application <u>100%</u>		
ACCOUNTING DATA	(5) a.	TOTAL INSTALLED COST	\$ 9,196,000.00
	b.	NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 9,200.00
	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
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. <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  Signature </div> <div style="text-align: center;"> <u>DIRECTOR - PTRRC</u> Title </div> </div>		
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.			
INSTRUCTIONS	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



TYPICAL CATHODIC PROTECTION

Tank Corrosion

is prone in Tanks set in soil, where inherent dissimilar metallurgical characteristics, causes an "Anodic" Reaction, (an electro-chemical process), whereby soil based stray current flow causes Corrosion on portions of the Tank surface rendered Anodic (metallurgical characteristic), but not on portions of Tank surface rendered Cathodic.

Cathodic Protection Theory

The key to Cathodic Protection is to render the Tank surface 'Cathodic' which thereby does not Corrode. Cathodic Protection is accomplished by the installation of Anodes & the employment of external dc power (rectified ac), which impresses a current from an external Anode Bed onto the Cathode Tank Surface.

Cathodic Protection Equipment

- Cathodic Protection Unit - provides external DC Current Source
- Anode Bed - accomplishes external anode structure
- Anode & Cathode cables - provide Circuit Path
- Anode Shunt Box DC Current - provides DC Current distribution & monitoring

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EQUIPMENT D NUMBERS
ADD. DEPTS
ADD. UNITS

CAD DRAWING-DO NOT REVISE MANUALLY								FINAL APP.		WOOD RIVER, <i>Wood River Refinery</i> ILLINOIS		MASTER DRAWING YES/NO: NO	
ACCT.NO.	DATE	REVISION	NO.	DR.	CK	APP	ELECT SIGN	HAND SIGN	CATHODIC PROTECTION SCHEME		PLOT SCALE: NONE		
		ORIGINAL	0								SCALE: NONE		
											SHEET 1 OF 1 REV.		
									DEPT: DISPATCHING	CAT. TYPE: ELECTRICAL	B XXXXX A		
									UNIT: TANK TRUCK RACK-ASPHALT				

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

Project: Underground Piping Program

Section D – Pollution Control Facility Description

The primary purpose of the Underground Piping Program is to prevent leaks of hydrocarbon, waste water, or chemicals such as benzene, caustic, and sulfuric acid to the ground. Such leaks would reach both surface water streams and ground water, resulting in water pollution. Thus, this project installed pollution control facilities to prevent surface water and ground water pollution.

Corrosion of underground pipes has resulted in significant water pollution events. This project was primarily implemented to prevent water pollution by addressing the most common causes of corrosion of underground pipes. This multi-year project upgraded air to soil interfaces for buried pipe as defined by the American Petroleum Institute Piping Inspection Code (API 570 section 5.3.4). Buried piping air to soil interfaces have been identified by API as a major source of real and potential environmental pollution. The project had several phases including relocating underground lines to above ground lines, installing linings in existing underground lines, installing cathodic protection systems with remote monitoring on storage tanks and associated lines, and installing protective coatings on lines. Well over 200 items were addressed over the approximately 10 year time period. Refer to typical diagrams STD-CAT-0023, STD-CAT-0024, STD-CAT-0029, and Typical Cathodic Protection Scheme BXXxxx.

Thus, this Pollution Control Facility project was implemented primarily to prevent water pollution by addressing the most common causes of corrosion of underground pipes.