

RECEIVED
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MAR 21 2007

STATE OF ILLINOIS
Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

EQUISTAR CHEMICALS, LP
(Property Identification Number
03-20-200-014)

Petitioner,

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

Respondent.

PCB 07- 93
(Tax Certification)

NOTICE

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

Equistar Chemicals, LP
c/o Tax Department
One Houston Center
1221 McKinney Street
Houston, Texas 77253-3646

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.

ENVIRONMENTAL PROTECTION AGENCY
OF THE STATE OF ILLINOIS

By: _____

James Allen Day
Assistant Counsel
Division of Legal Counsel

DATED: March 19, 2007

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

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STATE OF ILLINOIS
Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

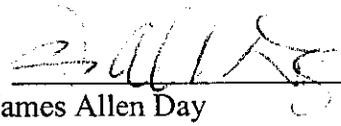
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PROTECTION AGENCY)
Respondent.)

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A P P E A R A N C E

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

ENVIRONMENTAL PROTECTION
AGENCY OF THE STATE OF ILLINOIS

By: 
James Allen Day
Assistant Counsel
Division of Legal Counsel

DATED: March 19, 2007

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

STATE OF ILLINOIS
COUNTY OF SANGAMON

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)

PROOF OF SERVICE

I, the undersigned, on oath state that I have served the attached **APPEARANCE AND RECOMMENDATION**, upon the person to whom it is directed, by placing a copy in an envelope addressed to:

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

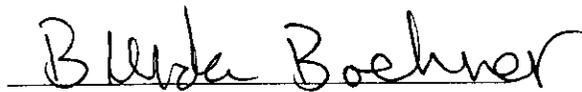
Equistar Chemicals, LP
c/o Tax Department
One Houston Center
1221 McKinney Street
Houston, Texas 77253-3646

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

and mailing it from Springfield, Illinois on March 19, 2007 with sufficient postage affixed for first class mail.



SUBSCRIBED AND SWORN TO BEFORE ME
this nineteenth day of March, 2007


Notary Public



BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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STATE OF ILLINOIS
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RECOMMENDATION

Now Comes the Illinois Environmental Protection Agency ("Illinois EPA") by James Allen Day, one of its attorneys, and pursuant to Section 125.204 of the Illinois Pollution Control Board's (Board) regulations files the following Recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

- 1) On April 30, 2003, the Illinois EPA received a request from Equistar Chemicals, LP for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204, and noted the request as log number TC-05-03. (Exhibit A)
- 2) The applicant's mailing address is:

Equistar Chemicals, LP
c/o Tax Department
One Houston Center
1221 McKinney Street
Houston, Texas 77253-3646
- 3) The facility address is:

Equistar Chemicals, LP
8805 N. Tabler Rd.
Morris, Illinois 60450

4) The water pollution control facilities in this request are located at Section 21, Township 34 North, Range 8 East of the 3rd Principal Meridian in Grundy County, Illinois and include the following three separate facilities for purposes of this recommendation:

(a) A Wastewater Treatment Plant (WWTP) effluent temperature control necessary for monitoring and recording WWTP effluent temperature. (These facilities are further described in Exhibit A.)

(b) The Lift Station #23 Overflow Prevention, consisting of pumps and their associated suction and discharge piping necessary to dispose plant process wastewater. (These facilities are further described in Exhibit A.)

(c) The Potable Water System Improvements, consisting of backflow preventers at wells number 2 and 3 necessary to segregate raw process water and potable water. (These facilities are further described in Exhibit A.)

- 5) Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2004), 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 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.”
- 6) Pollution control facilities are entitled to preferential tax treatment, 35 ILCS 200/11-5

(2004).

- 7) With respect to the facilities described in Paragraph 4(a) and (b) above (WWTP effluent temperature control and Lift Station #23 Overflow Prevention), and based on the information in the application and the purpose of the facilities (to monitor and record WWTP effluent temperature, and disposal of plant process wastewater), it is the Illinois EPA's engineering judgment that the described facilities are "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. Therefore, the facilities are eligible for tax certification from the Board.
- 8) With respect to the facilities described in Paragraph 4(c) above (the potable water system improvements), based on the information in the application and the purpose of the facilities (to segregate raw process water and potable water), 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. The primary purpose of this equipment is to produce potable water for consumption. Therefore, the facilities are not eligible for tax certification from the Board.
- 9) Therefore, the Illinois EPA recommends that the Board grant the requested tax certification for the facilities described in Paragraphs 4(a) and (b) above (WWTP effluent temperature control and Lift Station #23 Overflow Prevention) and deny the requested tax certification for the facilities described in Paragraph 4(c) above (the

potable water system improvements).

Illinois Environmental Protection Agency

By:



James Allen Day
Assistant Counsel
Division of Legal Counsel

March 19, 2007

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

TC-05-03

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

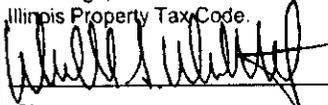
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

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	
APPLICANT	Sec. A Company Name EQUISTAR CHEMICALS, LP			
	Person Authorized to Receive Certification W.S. WESTLAKE		Person to Contact for Additional Details (SAME)	
	Street Address 70 TAX DEPT., ONE HOUSTON CENTER,		Street Address 1221 MCKINNEY ST.	
	Municipality, State & Zip Code HOUSTON, TX 77253-3646		Municipality, State & Zip Code (SAME)	
	Telephone Number 713-652-7456		Telephone Number (SAME)	
	Location of Facility	Township	Range	Municipality
	Quarter Section	AUXSABLE		MORRIS
	Street Address 8805 N. TABLER RD		County GRUNDY	Book Number
	Property Identification Number		Parcel Number	
MANUFACTURING OPERATIONS	Sec. B Nature of Operations Conducted at the Above Location CHEMICAL MANUFACTURING			
	Water Pollution Control Construction Permit No.		Date Issued	
	NPDES PERMIT No.		Date Issued	Expiration Date
	Air Pollution Control Construction Permit No.		Date Issued	
	Air Pollution Control Operating Permit No.		Date Issued	
MANUFACTURING PROCESS	Sec. C Describe Unit Process ETHYLENE, LDPE, & LLDPE MANUFACTURING			
	Materials Used in Process			
POLLUTION CONTROL FACILITY DESCRIPTION	Sec. D Describe Pollution Abatement Control Facility - SEE ATTACHMENTS -			

RECEIVED
 APR 30 2003

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 BOW/WPC/PERMIT SECTION

Sec. E	(1) Nature of Contaminants or Pollutants		
POLLUTION CONTROL FACILITY - CONTAMINANTS			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
ACCOUNTING DATA	(2) Point(s) of Waste Water Discharge		
			Plans and Specifications Attached
			Yes
			No
	(3)	Are contaminants (or residues) collected by the control facility?	Yes
			No
	(4)	Date installation completed _____ status of installation on date of application _____	
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$
	d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$	
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	%	
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	 Signature		AUTH. AGENT Title
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 pollution control facility. Include a listing of each major piece of equipment included in the claimed fair 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: Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Attention: Thomas McSwiggin Permit Section Division of Water Pollution Control
			Attention: Donald E. Sutton Permit Section Division of Air Pollution Control

Equistar Chemicals, LP

2002 Application For Certification (Property Tax Treatment)
Pollution Control Facility: Water

Projects as of December, 2002

Project Title/Description	Project #	Env. Cost (\$M)	JD # / Env Proj. #	Details	Regulatory Analysis
WWTP Effluent Temperature Control	MIO/00106	\$1,012	38098 / 99	Equipment installed to monitor and record WWTP effluent temperature	NPDES Permit Requirement 35 IAC 302.211
Tank Car Aromatic Loading	MIO/01107	\$389	39027	Reduced risk of release from underground aromatic transfer line, and potential discharge to	No direct requirement other than reduce air emissions and potential
Potable Water System Improvements	MIO/986288	\$67	46392	Backflow prevention to segregate raw process water and potable water	77 IAC 890.113(f)(3); 35 IAC 900.40(n); 35 IAC 807.104
Lift Station #23 Overflow Prevention	MIO/99110	\$1,034	38093	Mitigation of potential release of contaminated wastewater	No direct requirement other than reduce spill potential

was requested through air.

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WWTP Effluent Temperature Control	MIO/00106	\$1,011	May-02	The project enabled the plant to meet the NPDES permit special condition #24.	No specific regulatory requirement, but ensures compliance with the NPDES permit.
Lift Station #23 Overflow Prevention	MIO/99110	\$464	Aug-01	This project replaced Lift Station 23 pumps and their associated suction and discharge piping.	No direct regulatory requirement other than to ensure the plant would be in compliance with Benzene NESHAPS.
Potable Water System Improvement	MIO/986288	\$183	Oct-'99	Backflow preventers @ Wells #28#3	77 IAC 890.113(f)(3) Follow-up to Illinois Department of Public Health survey of drinking water supplies.

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 POLLUTION CONTROL FACILITY
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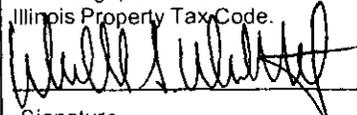
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	Municipality, State & Zip Code HOUSTON, TX 77253-3646	Municipality, State & Zip Code (SAME)		
	Telephone Number 713-652-7456	Telephone Number (SAME)		
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Sec. E	(1) Nature of Contaminants or Pollutants			
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	Plans and Specifications Attached		Yes	No
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Sec. F	SIGNATURE			
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