

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

MARATHON PETROLEUM COMPANY, LLC)
Routing of Light Straight Run from Crude Unit)
to Gasoline Desulfurization Unit)
) PCB 11-
) (Tax Certification)
PROPERTY IDENTIFICATION NUMBER)
51-34-021-001 or portion thereof)

NOTICE

TO: [Electronic filing] John Therriault, Assistant Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

[Service by mail] John S. Swearingen
Marathon Ashland Petroleum
Refinery Office Building
Robinson, Illinois 62454

[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 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: May 17, 2011

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276
Telephone: 217/524-9137

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

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Routing of Light Straight Run from Crude Unit)
to Gasoline Desulfurization Unit)
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PROPERTY IDENTIFICATION NUMBER)
51-34-021-001 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

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Assistant Counsel

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to Gasoline Desulfurization Unit)	
)	PCB 11-
)	(Tax Certification)
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51-34-021-001 or portion thereof)	

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 a **grant** of the applicant’s request. In support thereof, the Illinois EPA states as follows:

1. On December 9, 2008, the Illinois EPA received a request and supporting information from MARATHON PETROLEUM COMPANY, LLC, (“Marathon”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Robinson refinery in Crawford County, Illinois. A copy of the relevant portions of the application is attached hereto. **[Exhibit A]**.

2. The applicant’s address is as follows:

Marathon Petroleum Company, LLC
Refinery Office Building
Robinson, Illinois 62454

3. The pollution control facilities involved in this request are located at the aforementioned address and consist of a project constructing a new line (or piping) to allow the movement and distribution of the Light Straight Run (“LSR”) naphtha stream from the Crude Unit to the Gasoline Desulfurization Unit. The routing of the new line will enable the LSR naphtha stream to undergo a two-phase process of treatment (i.e., “selective hydrogenation followed by hydrodesulfurization”) to reduce or remove the sulfur content of the naphtha to targeted levels (i.e., “maximum nominal sulfur content of 30 ppm”) prior to the introduction of the product into the gasoline pool. [See generally, **Exhibit A**]. The project will allow the refinery to reduce the sulfur content of the LSR naphtha stream and, consequently, the larger gasoline pool supplied to consumers.

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 and the underlying purpose of the project to prevent, eliminate or reduce air pollution, it is the Illinois EPA’s engineering judgment that the described project and/or equipment 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**].

7. Because the routing of the LSR naphtha stream from the Crude Unit to the Gasoline Desulfurization Unit satisfies the aforementioned criteria for receiving preferential tax treatment under applicable requirements of state law, the Illinois EPA recommends that the Board **grant** the applicant's requested tax certification.

Respectfully submitted by,

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

/s/ Robb H. Layman

Robb H. Layman
Assistant Counsel

DATED: May 17, 2011

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: 217/524-9137



Marathon Petroleum Company LLC

539 South Main Street
Findlay, OH 45840
Telephone 419/422-2121
Fax 419/421-4590

December 11, 2007

Mr. Don Sutton
Bureau of Air -- Number 11
1021 North Grand Avenue -- East
Springfield, IL 62702

Re: Application for Certification Pollution Control Facility

Dear Mr. Sutton:

Enclosed for your consideration are the following applications for property tax certifications relating to air pollution control projects at Marathon Petroleum Company LLC's Robinson refinery.

<u>AFE</u>	<u>Project Description</u>
Y030	Floating Roof on Tank 815
<u>Y090</u>	Route Light Straight Run from Crude Unit to GDU

Please contact me if you have questions or need any additional information. My email is drkrupp@marathonpetroleum.com and my phone number is 419-421-4527.

I look forward to your favorable reply.

Sincerely,

Debora R. Krupp
Senior Tax Analyst

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Exhibit A

Electronic Filing - Received, Clerk's Office, May 17, 2011

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)

***** PCB 2011-084 *****

POLLUTION CONTROL FACILITY
AIR WATER

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.

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

FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
APPLICANT	Sec. A Company Name Marathon Petroleum Company LLC			
	Person Authorized to Receive Certification John Swearingen		Person to Contact for Additional Details Debora Krupp	
	Street Address Refinery Office Building		Street Address 539 South Main Street	
	Municipality, State & Zip Code Robinson, IL 62454		Municipality, State & Zip Code Findlay, OH 45840	
	Telephone Number 618-544-2121		Telephone Number 419-421-4527	
	Location of Facility	Quarter Section	Township	Range
	Street Address Route 33		Municipality Robinson	Township Robinson
	Property Identification Number		County Crawford	Book Number
MANUFACTURING OPERATIONS	Sec. B Nature of Operations Conducted at the Above Location			
	Petroleum Refining Route Light Straight Run from Crude Unit to Gas Desulfurization Unit		AFE: Y090 ID: R-723	
	Water Pollution Control Construction Permit No.	Date Issued		
	NPDES PERMIT No.	Date Issued	Expiration Date	
	Air Pollution Control Construction Permit No. 07010063	Date Issued 1/19/07		
MANUFACTURING PROCESS	Sec. C Describe Unit Process			
	See Attached			
POLLUTION CONTROL FACILITY DESCRIPTION	Sec. D Describe Pollution Abatement Control Facility			
	See Attached			

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Sec. E	(1) Nature of Contaminants or Pollutants PCB 2011-084 * * * * *		
POLLUTION CONTROL FACILITY - CONTAMINANTS	Material Retained, Captured or Recovered		
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	sulfur	sulfur in gasoline	captured and routed to the amine units for treatment
	(2) Point(s) of Waste Water Discharge		
	Plans and Specifications Attached		Yes <input type="checkbox"/> No <input checked="" 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>4/20/07</u> status of installation on date of application <u>complete</u>		
ACCOUNTING DATA	(5) a.	FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 750,000
	b.	NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 18,200
	c.	PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0
	d.	PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0
	e.	PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% .06%
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 <u>John Swearingen</u> Title <u>Manager, Illinois Refining Division</u>		
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 <u>collection efficiency</u> .	
	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. Sution Permit Section Division of Air Pollution Control

Attachment
Application for Certification (Property Tax) Pollution Control Facility
Marathon Petroleum Company LLC

AFE Y090

Budget No. R-723

Cost Center: 810000

Project Name: Route Light Straight Run (LSR) from Crude to Gas Desulfurization Unit (GDU)

Section C - Manufacturing Process

Describe Unit Process:

This project was implemented to process Light Straight Run (LSR) naphtha from the Crude Unit in the Gas Desulfurization Unit (GDU.) This removes the sulfur to an acceptable target before its addition to the gasoline pool.

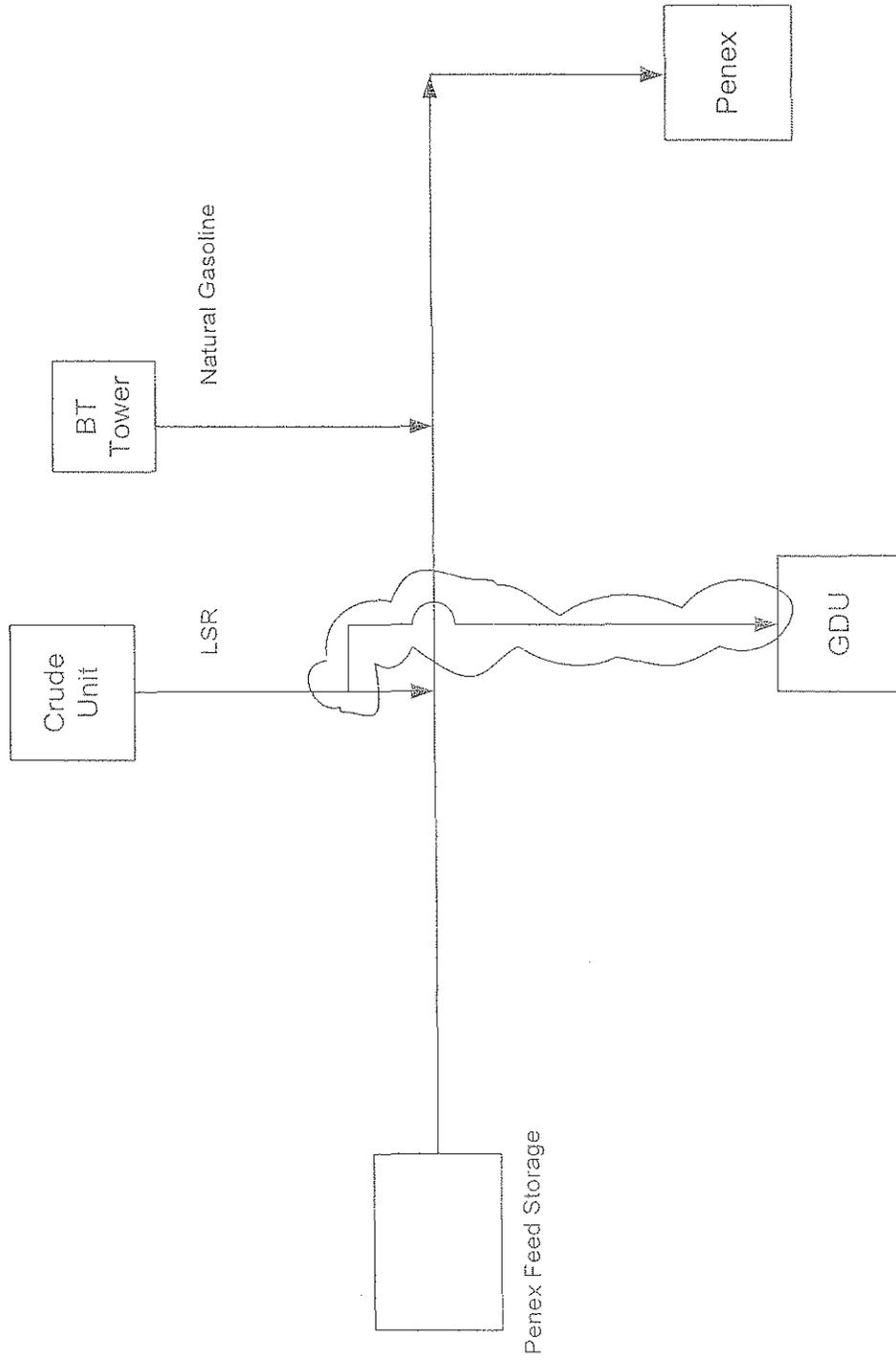
Section D - Pollution Control Facility Description

Describe Pollution Abatement Control Facility:

A section of line from the Crude unit to the Gasoline Desulfurization Unit was installed to bring all or a portion of the Light Straight Run (LSR) stream to the GDU for sulfur removal. The Gasoline Desulfurization Unit utilizes a two-step process, selective hydrogenation followed by hydrodesulfurization, to remove sulfur from naphtha down to a maximum nominal sulfur content of 30 parts per million (ppm).

Materials Used in Process:

- Naphtha
- Axens (HR806, ACT 068, HR 841, ACT 072, and ACT 845S)
- Betz Max-Amine (57c, 70b)
- Ondeo-Nalco Ec1014a
- Fuel Gas
- Lean MDEA and Rich MDEA
- Sour Water
- Hydrogen rich gas
- Steam
- SHU feed drums
- SHU reactors
- Naphtha Splitter
- HDS reactor
- HDS heater



Memorandum

Technical Recommendation for Tax Certification Approval

Date: December 10, 2010

To: Robb Layman

From: Ed Bakowski *EB*
12/20/10

Subject: Marathon Petroleum Company LLC TC-08-12-09C

This Agency received a request on December 09, 2008 from Marathon Petroleum Company 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:

Route Light Straight Run from Crude Unit to Gas Desulfurization Unit to bring all or a portion of the Light Straight Run steam to the Gas Desulfurization Unit to reduce Sulfur Dioxide emissions. Because the primary purpose of this unit is to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 100 Marathon Avenue, Robinson
The property identification number is Part of 51-34-021-001

Based on the information included in this submittal, it is my engineering Judgement that the proposed facility may be considered "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in this section, and therefore eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is my recommendation that the Board issue the requested tax Certification for this facility.

Exhibit B