

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

ENBRIDGE PIPELINES, LLC )  
Tank No. 2 Internal Floating Roof )  
)  
)  
) PCB 14-  
) (Tax Certification - Air)  
PROPERTY IDENTIFICATION NUMBER )  
12-29-101-002-0000 or portion thereof, and )  
PARCEL NUMBER 14-12-29-101-001-0000 )

**NOTICE**

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

[*Service by mail*]  
Kathryn Tronsberg Macciocca  
Duff & Phelps  
2000 Market Street, Suite 2700  
Philadelphia, Pennsylvania 19103

[*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: December 2, 2013

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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PROPERTY IDENTIFICATION NUMBER	)	
12-29-101-002-0000 or portion thereof, and	)	
PARCEL NUMBER 14-12-29-101-001-0000	)	

**APPEARANCE**

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

Respectfully submitted by,

1st Robb H. Layman  
Robb H. Layman  
Assistant Counsel

Date: December 2, 2013

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Tank No. 2 Internal Floating Roof	)	
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PROPERTY IDENTIFICATION NUMBER	)	
12-29-101-002-0000 or portion thereof, and	)	
PARCEL NUMBER 14-12-29-101-001-0000	)	

**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 March 8, 2012, the Illinois EPA received an application and supporting information from ENBRIDGE PIPELINES, LLC, (“Enbridge Pipelines”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Village of Manhattan petroleum storage facility in Will County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

Enbridge Pipelines, LLC  
Attention: Kathryn Tronsberg  
Duff & Phelps LLC  
2000 Market Street, Suite 2700  
Philadelphia, Pennsylvania 19103

3. The facility address is as follows:

Enbridge Pipelines, LLC  
15637 West Bruns Road  
Manhattan, Illinois 60442

4. The subject matter of this request involves the construction and installation of an Internal Floating Roof system on a petroleum liquid storage tank identified as Tank No. 2 at the Manhattan storage facility. As described in the application, the roofing system constructed and installed on the subject storage tank “rises and falls with the liquid level [of the storage tank] to reduce the vapor space inside the tank.” See, Application at page 1, Section D. By doing so, the system acts to prevent or reduce volatile organic materials (“VOM”) emissions that would otherwise be emitted from the tank 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 Internal Floating Roof system for Tank No. 2 to prevent, eliminate or reduce air pollution, it is the Illinois EPA’s engineering judgment that the system 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]**. In keeping with prior recommendations in similar matters,

the Illinois EPA would expect any preferential tax treatment, as determined by the Department of Revenue in separate proceedings, to address only the incremental costs associated with the Internal Floating Roof system in relation to conventional fixed roof systems.

8. Because the applicant's request for the Internal Floating Roof system for Tank No. 2 satisfies the aforementioned statutory and regulatory criteria, the Illinois EPA recommends that the Board issue a tax certification for the same.

Respectfully submitted by,

/s/ Robb H. Layman

Robb H. Layman  
Assistant Counsel

DATED: December 2, 2013

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 2<sup>nd</sup> day of December, 2013, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

John Therriault, 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

Kathryn Tronsberg Macciocca  
Duff & Phelps, LLC  
2000 Market Street, Suite 2700  
Philadelphia, Pennsylvania 19103

/s/ Robb H. Layman  
Robb H. Layman  
Assistant Counsel

Illinois Environmental Protection Agency  
ATTN: Mr. Ed Bakowski  
P.O. Box 19276  
Springfield, IL 62794-9276

March 6, 2012

Re: Application for Property Tax Treatment for Air Pollution Control Property Located at  
Manhattan Terminal

Dear Mr. Bakowski:

Enclosed please find one Application For Certification (Property Tax Treatment) Pollution Control Facility (the "Application") for Air Pollution Control Property located at Manhattan Terminal (the "Facility") in Will County, Illinois.

The Application has been prepared pursuant to ILCS Statute § 200/11-5, and includes any necessary information and supporting documentation. Submission of this Application is required as a process step in the Illinois Environmental Protection Agency and Illinois Department of Revenue pollution control certification process for special value treatment of certain assets used in air pollution control capacities at the Facility.

The Application can be summarized as follows:

<u>Description</u>	<u>Fair Cash Value</u>
Tank #2 Internal Floating Roof	\$767,455

Please send one copy of the completed property tax certification to the following address:

Ms. Kathryn Tronsberg Macciocca  
Duff & Phelps LLC  
2000 Market Street, Suite 2700  
Philadelphia, PA 19103

RECEIVED

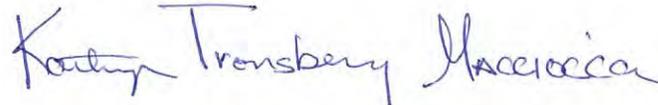
MAR 08 2012

Illinois Environmental Protection Agency  
BUREAU OF AIR  
STATE OF ILLINOIS

Mr. Ed Bakowski  
Illinois Environmental Protection Agency  
March 6, 2012  
Page 2 of 2

If you have any questions regarding the Application or the information supplied within the Application, please contact me, at (215) 430-6059 or by e-mail (kathryn.tronsberg.macciocca@duffandphelps.com) or Mr. Toby Reese at (972) 463-5564 or by e-mail (toby.reese@duffandphelps.com).

Very truly yours,

A handwritten signature in blue ink that reads "Kathryn Tronsberg Macciocca". The signature is written in a cursive style with a horizontal line above the first few letters of the first name.

Kathryn Tronsberg Macciocca  
Director  
Specialty Tax

Enclosures

cc: Mr. Toby Reese (Duff & Phelps, LLC)

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

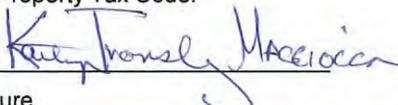
**ILLINOIS ENVIRONMENTAL PROTECTION AGENCY**  
P. O. Box 19276, Springfield, IL 62794-9276

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 Enbridge Pipelines (Southern Lights) L.L.C.		
	Person Authorized to Receive Certification Kathryn Tronsberg C/O Duff and Phelps LLC		Person to Contact for Additional Details Kathryn Tronsberg C/O Duff and Phelps LLC
	Street Address 2000 Market Street, Suite 2700		Street Address 2000 Market Street, Suite 2700
	Municipality, State & Zip Code Philadelphia, PA 19103		Municipality, State & Zip Code Philadelphia, PA 19103
	Telephone Number (215) 430-6059		Telephone Number (215) 430-6059
	Location of Facility Quarter Section      Township      Range		Municipality      Township
	29                              12                              12		Village of Manhattan      12
	Street Address 15637 West Bruns Road, Manhattan II 60442		County      Book Number 14                              101
	Property Identification Number 12-29-101-002-0000		Parcel Number 14-12-29-101-001-0000
	Sec. B  MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum and Petroleum Product Storage Facility	
Water Pollution Control Construction Permit No. N/A		Date Issued N/A	
NPDES PERMIT No. N/A		Date Issued      Expiration Date N/A                      N/A	
Air Pollution Control Construction Permit No. Joint Construction and Lifetime Operating Permit ID #197811AAI		Date Issued 03/24/10	
Air Pollution Control Operating Permit No. Joint Construction and Lifetime Operating Permit ID #197811AAI		Date Issued 03/24/10	
Sec. C  MANUFACTURING PROCESS	Describe Unit Process Internal Floating Roofs are installed on petroleum and/or petroleum product storage tanks to prevent and/or reduce fugitive Volatile Organic Compound ("VOC") emissions. No manufacturing activities take place at this site.		
	Materials Used in Process Petroleum and Petroleum Products		
Sec. D  POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility Internal Floating Roof ("IFR") property installed on Tank #2 is pollution control abatement equipment installed for the purpose of preventing and/or reducing Volatile Organic Compound ("VOC") emissions resulting from the storage of petroleum and/or petroleum products at the Facility. The IFR rises and falls with the liquid level to reduce the vapor space inside the tank. By reducing this vapor space, the IFR prevents the creation and release of VOC vapors which can contaminate the air of the State of Illinois.		

**RECEIVED**  
MAR 08 2012  
Illinois Environmental Protection Agency  
BUREAU OF AIR  
STATE OF ILLINOIS

Sec. E	(1) Nature of Contaminants or Pollutants			
	CONTAMINANTS	Material Retained, Captured or Recovered		
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Volatile Organic Compounds ("VOC's")	N/A	N/A
	(2) Point(s) of Waste Water Discharge			
	N/A. No Discharge Associated with the Tank #2 IFR			
	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 type="checkbox"/> No <input checked="" type="checkbox"/>	
(4)	Date installation completed <u>06/30/10</u> status of installation on date of application <u>Complete</u>			
ACCOUNTING DATA	(5) a.	FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 767,455.00	
	b.	NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 38,373.00	
	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:	% 3.41	
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	 _____ Director - Tax Services Signature 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.			
	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	



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

PAT QUINN, GOVERNOR

JOHN J. KIM, INTERIM DIRECTOR

MEMORANDUM

Technical Recommendation for Tax Certification Approval

Date: December 10, 2012  
To: Robb Layman  
From: Ed Bakowski *B 12/14/12*  
Subject: Enbridge Pipelines (Southern Lights), L.L.C. TC-12-03-08C

This Agency received a request on March 08, 2012 from Enbridge Pipelines(Southern Lights), L.L.C. 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:

Tank #2 Internal Floating Roof which reduces Volatile Organic Compound(VOC)emissions by protecting and retaining petroleum products at the facility. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 15637 West Bruns Road, Manhattan, Illinois, Will County

The property identification number is 12-29-101-002-0000

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.

FEM:psj

*Exh. b.7 B*