

RECEIVED
CLERK'S OFFICE

MAR 31 2003

STATE OF ILLINOIS
Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

DYNEGY MIDWEST GENERATION, INC.)
Refurbished Low NOx Burner Unit 3/Separated)
Overfire Air System)
Property Identification Number)
02-10-100-001)

PCB 03-176
(Tax Certification)

NOTICE

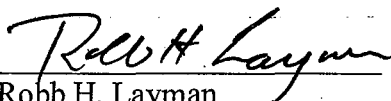
TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

Rick Dietricx
Dynegy Midwest Generation, Inc.
2828 North Monroe St.
Decatur, Illinois 62526

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

PLEASE TAKE NOTICE that I have today 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 you.

Date: March 28, 2003


Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276
Telephone: 217/782-5544
Facsimile: 217/782-9807
TDD: 217/782-9143

THIS FILING IS SUBMITTED
ON RECYCLED PAPER

RECEIVED
CLERK'S OFFICE

MAR 31 2003

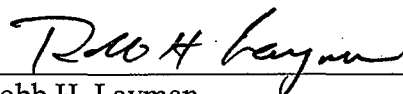
BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
STATE OF ILLINOIS
Pollution Control Board

DYNEGY MIDWEST GENERATION, INC.)
Refurbished Low NOx Burner Unit 3/Separated)
Overfire Air System)
Property Identification Number)
02-10-100-001)

PCB 03-176
(Tax Certification)

APPEARANCE

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


Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

DATED: March 28, 2003

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: 217/782-5544
Facsimile: 217/782-9807
TDD: 217/782-9143

THIS FILING IS SUBMITTED
ON RECYCLED PAPER

RECEIVED
CLERK'S OFFICE

MAR 31 2003

STATE OF ILLINOIS
Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

DYNEGY MIDWEST GENERATION, INC.)
Refurbished Low NOx Burner Unit 3/Separated)
Overfire Air System)
)
Property Identification Number) PCB 03-176
02-10-100-001) (Tax Certification)
)
)

RECOMMENDATION

Now Comes the Illinois Environmental Protection Agency ("Illinois EPA"), through 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 air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

1) On September 16, 2002, the Illinois EPA received a request from Dynegy Midwest Generation, Inc. for an Illinois EPA recommendation regarding the tax certification of air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204, and noted the request as log number TC-02-09-16A. (Exhibit A)

2) The applicant's address is: Rick Diericx
Dynegy Midwest Generation, Inc.
2828 North Monroe St.
Decatur, Illinois 62526

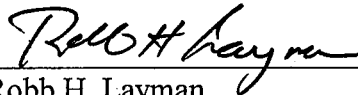
3) The air pollution control facilities in this request are located at 10901 Baldwin Road, Baldwin, Randolph and consist of the following:

Refurbishment of Low NOx Burner Unit 3/Separated Overfire Air System which reduces NOx emissions from the existing low NOx system. Because the primary

purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.

4. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2000), 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."
5. Pollution control facilities are entitled to preferential tax treatment, 35 ILCS 200/11-5 (2000).
6. Based on the information in the application and the purpose of the facilities, to prevent, eliminate or reduce air pollution, it is the Illinois EPA's engineering judgment that the described facilities may be considered "pollution control facilities," pursuant to 35 Ill. Adm. Code 125.200(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200. Therefore, the facilities are eligible for tax certification from the Board.
7. Therefore, the Illinois EPA recommends that the Board issue the requested tax certification.

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY,

By: 
Robb H. Layman
Special Assistant Attorney General

Of Counsel:
Charles E. Matoesian
Assistant Counsel

March 28, 2003

1021 North Grand Ave. E.
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: 217/782-5544
Facsimile: 217/782-9807
TDD: 217/782-9143

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

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

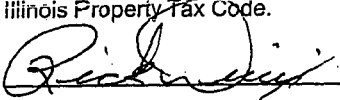
This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name Dynergy Midwest Generation, Inc.			
	Person Authorized to Receive Certification Rick Diericx		Person to Contact for Additional Details	
	Street Address 2828 North Monroe Street		Street Address 2828 North Monroe Street	
	Municipality, State & Zip Code Decatur, IL 62526		Municipality, State & Zip Code Decatur, IL 62526	
	Telephone Number (217) 872-2354		Telephone Number	
	Location of Facility Quarter Section	Township	Range	Municipality Township
	Street Address 10901 Balwin Road, Box 146, Baldwin, IL 62217		County Randolph	Book Number
	Property identification Number 02-10-100-001		Parcel Number	
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Electric power generation - Unit 3			
	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. 75040091		Date Issued June 26, 1997	
Sec. C MANUFACTURING PROCESS	Describe Unit Process Coal combustion, steam production and electricity generation.			
	Materials Used in Process Solid and liquid fuels, water and air.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility Refurbishment of Baldwin Unit 3 low-NOx burner/separated overfire air (SOFA) system to improve the furability, operability and flexibility of the existing low NOx system. The refurbishment includes: * Maintenance and refurbishment of various SOFA components; * Replace existing SOFA tilt drives with new hydraulic tilt drives, and; * Replace air, SOFA and coal nozzles for better performance with PRB fuel. Influent: 0.484 Lbs.NOx/mmBtu (AP-42 estimate) Effluent: 0.123 Lbs.NOx/mmBtu Efficiency: 74.6% (estimated)			

RECEIVED
 SEP 16 2002

EPA - DAPC - SPFLD

Sec. E POLLUTION CONTROL FACILITY - CONTAMINANTS	(1) Nature of Contaminants or Pollutants		
		Material Retained, Captured or Recovered	
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Nitrogen oxides	NOx	Reduces conversion of N and O2 to NOx
ACCOUNTING DATA	(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 type="checkbox"/> No <input checked="" type="checkbox"/>
	(4)	Date installation completed <u>December 18, 2001</u> status of installation on date of application <u>Complete</u>	
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 4,387,100
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 0
		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:	% 100	
Sec. F SIGNATURE	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.		
		Manager, Environmental Resources	
	Signature	Title	
Sec. G INSTRUCTIONS	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	Thomas McSwiggin Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

PROOF OF SERVICE

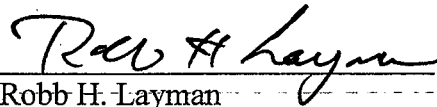
I, the undersigned, certify that I have served the attached Appearance and Recommendation upon the person to whom it is directed, by placing them in an envelope addressed to:

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

Rick Diericx
Dynergy Midwest Generation, Inc.
2828 North Monroe St.
Decatur, Illinois 62526

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

and mailing it by First Class Mail from Springfield, Illinois on March 28, 2003, with sufficient postage affixed.



Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

THIS FILING IS SUBMITTED
ON RECYCLED PAPER