

JUL 14 2004

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD STATE OF ILLINOIS

HOLLAND ENERGY, LLC-BEECHER CITY (Property Identification Numbers 0524-01-00-100-004, 0825-16-00-100-004, 0825-16-00-300-002, 0825-16-00-300-003, 0825-16-00-200-002)) 02-07	Pollution Control Boar
Petitioner,) PCB 04-) (Tax Certification)	
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY Respondent.)))	

NOTICE

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

Steve Santarelli Illinois Department of Revenue 101 West Jefferson Post Office Box 19033 Springfield, Illinois 62794 James L. Perry, General Manager Holland Energy, LLC Rural Route 2, Box 270A Beecher City, Illinois 62414-0065

Dan Skowronski, Counsel
Constellation Power Source Holdings
100 Market Place, Suite 500
Baltimore, Maryland 21202

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Pollution Control Board an <u>APPEARANCE AND THE RECOMMENDATION</u> 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: July 13, 2004

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



BEFORE THE ILLINOIS POLLUTION CONTROL BOARDJUL 1 4 2004

HOLLAND ENERGY, LLC-BEECHER CITY)	STATE OF ILLINOIS Pollution Control Board
(Property Identification Numbers)	
0524-01-00-100-004, 0825-16-00-100-004,)	
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0825-16-00-200-002)	05.07	
Petitioner,) PCB 04-	
) (Tax Certification)	
ILLINOIS ENVIRONMENTAL)	
PROTECTION AGENCY)	
Respondent.)	

APPEARANCE

The undersigned, as one of its attorneys, hereby enters an <u>APPEARANCE</u> 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: July 13, 2004

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



BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

HOLLAND ENERGY, LLC-BEECHER CITY) 05~>
(Property Identification Numbers) PCB.04-
0524-01-00-100-004, 0825-16-00-100-004,) (Tax Certification)
0825-16-00-300-002, 0825-16-00-300-003,)
0825-16-00-200-002))

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.

- On December 31, 2002, the Illinois EPA received a request from Holland Energy, LLC-Beecher City 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-34-02. (Exhibit A)
- 2) The applicant's address is: Holland Energy, LLC
 Rural Route 3, Box 270A
 Beecher City, Illinois 62414-0065
- 3) The water pollution control facilities in this request are located at Section 16, Township 9

 North, Range 4 East of the 3rd Principal Meridian in Shelby County, Illinois at the above street address and consist of the following:

The raw water treatment system consisting of a makeup water clarifier, sludge recycle system, sodium hypochlorite feed system, sodium hypochlorite storage tank, coagulant feed system, coagulant storage tank, polymer feed system, clarified water retention tank, clarified water pumps, clarified water storage tank, multimedia filtration system, filtered water holding tank, filtered water pumps.

(These facilities are further described in Exhibit A.)

- 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).
- Based on the information in the application and the purpose of the facilities (to provide suitable quality water for various plant operations such as cooling tower makeup, plant firewater, plant service water, combustion turbine evaporative cooler makeup water, quench water, and to supply water for the mobile demineralizer system), 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. Therefore, the facilities are not eligible for tax certification from the Board.

7) Therefore, the Illinois EPA recommends that the Board deny the requested tax certification.

Illinois Environmental Protection Agency,

Rv.

James Allen Day Assistant Counsel

Division of Legal Counsel

July 13, 2004

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)

PROOF OF SERVICE

I, the undersigned, on oath state that I have served the attached <u>APPEARANCE AND</u> <u>RECOMMENDATION</u>, 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

Steve Santarelli Illinois Department of Revenue 101 West Jefferson Post Office Box 19033 Springfield, Illinois 62794 James L. Perry, General Manager Holland Energy, LLC Rural Route 2, Box 270A Beecher City, Illinois 62414-0065

Dan Skowronski, Counsel Constellation Power Source Holdings 100 Market Place, Suite 500 Baltimore, Maryland 21202

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and mailing it from Springfield, Illinois on July 13, 2004 with sufficient postage affixed for first class mail.

SUBSCRIBED AND SWORN TO BEFORE ME

this thirteenth day of July, 2004

Notary Public

OFFICIAL SEAL
BRENDA BOEHNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 11-14-2005