

ASSOCIATED TAX APPRAISERS

AD VALOREM TAX CONSULTANTS

October 16, 2009

Via FEDERAL EXPRESS
Tracking No. 7960 39928389

LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality
12100 Park 35 Circle, MC105
Austin, Texas 78753

Re: TCEQ Docket No: 2009-1468-MIS-U
Application No: 13801
Company Name: Sartomer Resin Mfg Plant
Street Address: 17335 Wallisville Rd, Houston, TX
Appraisal District: Harris County

CHIEF CLERKS OFFICE

2009 OCT 19 AM 11:31

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

Dear Ms. Castañuela:

Enclosed please find an original and eight (8) copies of Sartomer Company, Inc.'s Reply to the TCEQ Office of Public Interest Counsel's and the Executive Director's Response Briefs regarding the above-reference matter.

Please file it in your same and usual manner, denoting the date and time of filing, and returning the extra copy provided using the self, addressed, and stamped envelope.

If you have any questions, please do not hesitate to contact us.

Sincerely yours,

Associated Tax Appraisers

cc: Attached Mailing List

Mailing List
Sartomer Inc.'s
TCEQ Docket No. 2009-1468-MIS-U

Sartomer Resin MFG Plant
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SARTOMER COMPANY, INC.'S REPLY TO THE TCEQ OFFICE OF PUBLIC INTEREST COUNSEL'S AND THE EXECUTIVE DIRECTOR'S RESPONSE BRIEFS

TO: LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality
12100 Park 35 Circle, MC105
Austin, Texas 78753

FROM: Ronald P. Little
Associated Tax Appraisers
4543 Post Oak Place, #232 Houston, Texas 77027

RE: TCEQ Docket No: 2009-1468-MIS-U
Application No: 13801
Company Name: Sartomer Resin Mfg Plant
Street Address: 17335 Wallisville Rd, Houston, TX
Appraisal District: Harris County

TEXAS
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CHIEF CLERKS OFFICE

This document is Sartomer Company, Inc.'s (hereinafter referred to as "Sartomer") reply to the Texas Commission on Environmental Quality (hereinafter referred to as "TCEQ") Office of Public Interest Counsel's and Executive Director's Responses to Sartomer's appeal of the Executive Director's Negative Use Determination of Application No. 13801.

For reasons described below, Sartomer respectfully requests that the TCEQ affirm its appeal and set aside the Executive Director's Negative Use Determination regarding Use Determination Application No. 13801.

FACTUAL BACKGROUND

On or about May 18, 2009, Sartomer, by and through its agent of record, Associated Tax Appraisers (hereinafter referred to as "ATA"), filed a Tier 1 Application for Tax Relief for Pollution Control Property with the TCEQ, which sought a positive use determination for the

replacement of old packing to improve the exchanger efficiency of a cooling tower located at its Sartomer Resin Manufacturing Plant at 17335 Wallisville Rd., Houston, Texas.

On or about June 15, 2009, ATA was in receipt of a Notice of Deficiency from the TCEQ's Tax Relief for Pollution Control Property, to which it replied on July 10, 2009, by amending its application.

On or about July 17, 2009, ATA was in receipt of a notice from the TCEQ's Tax Relief for Pollution Control Property that Sartomer's application was administratively complete.

On or about August 21, 2009, ATA was in receipt of the Executive Director's Negative Use Determination for the Use Determination Application No. 13801, to which it replied by timely filing an appeal of same on September 8, 2009, with the TCEQ's Chief Clerk.

REPLY TO THE OFFICE OF PUBLIC INTEREST COUNSEL'S RESPONSE BRIEF

1. Sartomer provides little argument to support its basis for appeal. Sartomer provides no information to support its assertion that the cooling tower meets or exceeds an environmental regulation. The application lists 30 TAC Chapter 115, Subchapter B, Division 2, governing vent gas control, as the relevant environmental rule or regulation, but offers no specific citation.

REPLY: No issue was made of the cited environmental regulation, 30 TAC Chapter 115, Subchapter B, Division 2, listed on Sartomer's Use Determination Application during either the administrative or technical review. Had this been made an issue during the review process, the appropriate changes would have been made to the application.

2. Nor does Sartomer thoroughly explain how a project to repack a cooling tower allows it to meet or exceed environmental standards. Sartomer simply asserts that the only function of replacing the heat exchanger is to increase the efficiency of the condensers and reduce VOC emissions. But it offers no information to support this statement.

REPLY: Proper Packing is needed for the functioning of the cooling tower (surface area). Cooling towers play an important role in providing a consistent fluid supply temperature. Inconsistency in supply temperature results in poor heat exchange (H/E), thus affecting an organic compound's physical properties (liquid or gas). Not having proper fluid temperature will increase the load on the H/E and may lead to higher VOCs. Attached hereto at Exhibit "A" is the Aspen Simulation, which provides supporting data that if the cooling tower supply temperature is increased from 85F to 100F, the condensation of organic components reduces, thus releasing more into the atmosphere. (Please make note of the highlighted cells).

3. Sartomer received notice that the ED needed more technical information in order to conduct a technical review of the application, during the administrative review period, but no additional information was provided by Sartomer.

REPLY: The notice received by ATA on July 17, 2009, which informed Sartomer that their application was administratively complete, stated, "if additional technical information is required a Notice of Deficiency letter will be issued." In addition, it made no reference to there being any outstanding technical issues, which is customary. Also, the administratively complete notice came after the initial administrative Notice of Deficiency, which was received by ATA on June 15, 2009. No Notice of Deficiency was sent to either Sartomer or ATA during the technical review of the Use Determination Application. Therefore, the issues brought up by the administrative Notice of Deficiency appeared to be satisfied.

4. Sartomer applied for a Tier I use determination, but the application does not meet the requirements for submitting a Tier I application, as shown by the Decision Flow Chart found at 30 TAC § 17.15(a). This list does not contain an entry for cooling towers, cooling tower repacking, or condensers associated with VOC emissions. Therefore, the application could not have been rehabilitated, even with additional technical information, and the ED correctly issued a negative use determination.

REPLY: No issue was made of the cited Equipment and Category List (ECL) item number listed on Sartomer's Use Determination Application during either the administrative or technical review. Had this been made an issue during the review process, the appropriate changes would have been made to the application.

REPLY TO THE EXECUTIVE DIRECTOR'S RESPONSE BRIEF

1. **The Executive Director's negative use determination should be affirmed because the re-packing is not installed to "meet or exceed rules and regulations adopted by any environmental protection agency of the United States, Texas, or a political subdivision of Texas, for the prevention, monitoring, control or reduction of air, water, or land pollution." See 30 Tex. ADMIN. CODE § 17.4(a).**

REPLY: No issue was made of the cited environmental regulation, 30 TAC Chapter 115, Subchapter B, Division 2, listed on Sartomer's Use Determination Application during either the administrative or technical review. Had this been made an issue during the review process, the appropriate changes would have been made to the application.

2. **The Executive Director's negative use determination should be affirmed because the re-packing is not listed in Part A of the Equipment and Categories List ("ECL").**

REPLY: No issue was made of the cited Equipment and Category List (ECL) item number listed on Sartomer's Use Determination Application during either the administrative or technical review. Had this been made an issue during the review process, the appropriate changes would have been made to the application.

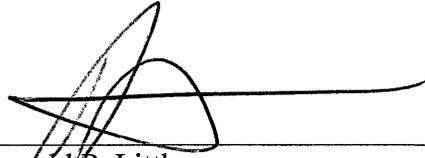
3. The contention that the re-packing's only function is to increase the condenser's efficiency and reduce VOC emissions is unfounded.

REPLY: Proper Packing is needed for the functioning of the cooling tower (surface area). Cooling towers play an important role in providing a consistent fluid supply temperature. Inconsistency in supply temperature results in poor heat exchange (H/E), thus affecting an organic compound's physical properties (liquid or gas). Not having proper fluid temperature will increase the load on the H/E and may lead to higher VOCs. Attached hereto at Exhibit "A" is the Aspen Simulation, which provides supporting data that if the cooling tower supply temperature is increased from 85F to 100F, the condensation of organic components reduces, thus releasing more into the atmosphere. (Please make note of the highlighted cells).

CONCLUSION

Sartomer made all good faith efforts to provide the information requested by the TCEQ's Tax Relief for Pollution Control Program. Further, Sartomer's replacement of old packing to improve the exchanger efficiency of a cooling tower does meet or exceed rules and regulations adopted by an environmental protection agency of the United States, Texas, or a political subdivision of Texas, for the prevention, monitoring, control or reduction of air, water, or land pollution pursuant to §11.31 of Texas Tax Code. Therefore, Sartomer requests that no issue be heard at this time regarding incomplete or inaccurate information on its Use Determination Application No. 13801 and that the Executive Director's Negative Use Determination of said application be set aside.

Respectfully Submitted,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line that tapers to the right.

Ronald P. Little
Associated Tax Appraisers
Property Tax Agents for Sartomer Company, Inc.

1-FEEDIN B1	2-FEEDOU B1	3-COOLIN B1	4-COOLOU B1
VAPOR	MIXED	LIQUID	LIQUID

Substream: MIXED

Mole Flow lbmol/hr

N2	0.1814802	0.1814802	0	0
P-XYL-01	16.92278	16.92278	0	0
ETHYL-01	0	0	0	0
WATER	0.9030366	0.9030366	1032.29	1032.29
Total Flow lbmol/hr	18.0073	18.0073	1032.29	1032.29
Total Flow lb/hr	1818	1818	18597	18597
Total Flow cuft/hr	65454.24	3512.985	301.0079	304.6591
Temperature F	221	89.06683	85	106.8772
Pressure psi	2	2	15	15
Vapor Frac	1	0.066	0	0
Liquid Frac	0	0.934	1	1
Solid Frac	0	0	0	0
Enthalpy Btu/lbmol	6730.618	-14397.65	-1.23E+05	-1.22E+05
Enthalpy Btu/lb	66.6668	-142.6088	-6810.274	-6789.815
Enthalpy MMBtu/hr	0.1212002	-0.2592627	-126.6507	-126.2702
Entropy Btu/lbmol-R	-66.21863	-100.4197	-38.61437	-37.95482
Entropy Btu/lb-R	-0.6558958	-0.9946572	-2.143423	-2.106812
Density lbmol/cuft	2.75E-04	5.13E-03	3.429446	3.388346
Density lb/cuft	0.0277751	0.5175086	61.78242	61.042
Average MW	100.9591	100.9591	18.01528	18.01528
Liq Vol 60F cuft/hr	33.73513	33.73513	298.4695	298.4695

Mass Balance

Total	In	Out	Rel. diff
lbmol/hr	1050.29766	1050.29766	0
lb/hr	20415	20415	0
Btu/hr	-126529460	-126529460	-2.36E-16

Note:

This parameters were taken as a design criteria from the original H/E design for the process.

1-FEEDIN B1	2-FEEDOU B1	3-COOLIN B1	4-COOLOU B1
VAPOR	MIXED	LIQUID	LIQUID

Substream: MIXED

Mole Flow lbmol/hr	1-FEEDIN B1	2-FEEDOU B1	3-COOLIN B1	4-COOLOU B1
N2	0.1814802	0.1814802	0	0
P-XYL-01	16.92278	16.92278	0	0
ETHYL-01	0	0	0	0
WATER	0.9030366	0.9030366	1032.29	1032.29
Total Flow lbmol/hr	18.0073	18.0073	1032.29	1032.29
Total Flow lb/hr	1818	1818	18597	18597
Total Flow cuft/hr	65454.24	4057.911	303.4964	307.0446
Temperature F	221	106.1645	100	120.7326
Pressure psi	2	2	15	15
Vapor Frac	1	0.074	0	0
Liquid Frac	0	0.926	1	1
Solid Frac	0	0	0	0
Enthalpy Btu/lbmol	6730.618	-13562.76	-1.22E+05	-1.22E+05
Enthalpy Btu/lb	66.6668	-134.3392	-6796.291	-6776.641
Enthalpy Btu/hr	1.21E+05	-2.44E+05	-1.26E+08	-1.26E+08
Entropy Btu/lbmol-R	-66.21863	-98.92701	-38.16102	-37.54245
Entropy Btu/lb-R	-0.6558958	-0.9798724	-2.118258	-2.083923
Density lbmol/cuft	2.75E-04	4.44E-03	3.401326	3.36202
Density lb/cuft	0.0277751	0.4480138	61.27584	60.56774
Average MW	100.9591	100.9591	18.01528	18.01528
Liq Vol 60F cuft/hr	33.73513	33.73513	298.4695	298.4695

Total	In	Out	Rel. diff
lbmol/hr	1050.29766	1050.29766	0
lb/hr	20415	20415	0
Btu/hr	-126269427	-126269427	0