

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
APPLICATION FOR USE DETERMINATION
FOR POLLUTION CONTROL PROPERTY**

The TCEQ has the responsibility to determine whether a property is a pollution control property. A person seeking a use determination must complete the attached application or a copy or similar reproduction. For assistance in completing this form refer to the TCEQ guidelines document, *Property Tax Exemptions for Pollution Control Property*, as well as 30 TAC §17, rules governing this program. For additional assistance please contact the Tax Relief for Pollution Control Property Program at (512) 239-3100. The application should be completed and mailed, along with a complete copy and the appropriate fee, to: TCEQ MC-214, Cashiers Office, PO Box 13088, Austin, Texas 78711-3088.

Information must be provided for each field unless otherwise noted.

1. GENERAL INFORMATION

A. What is the type of ownership of this facility?

- | | |
|---|--|
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Sole Proprietor |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Utility |
| <input checked="" type="checkbox"/> Limited Partnership | <input type="checkbox"/> Other: |

B. Size of company: Number of Employees

- | | |
|---|---|
| <input checked="" type="checkbox"/> 1 to 99 | <input type="checkbox"/> 1,000 to 1,999 |
| <input type="checkbox"/> 100 to 499 | <input type="checkbox"/> 2,000 to 4,999 |
| <input type="checkbox"/> 500 to 999 | <input type="checkbox"/> 5,000 or more |

C. Business Description: (Provide a brief description of the type of business or activity at the facility)

2. TYPE OF APPLICATION

- | | |
|--|---|
| <input type="checkbox"/> Tier I \$150 Fee | <input type="checkbox"/> Tier III \$2,500 Fee |
| <input type="checkbox"/> Tier II \$1,000 Fee | <input checked="" type="checkbox"/> Tier IV \$500 Fee |

NOTE: Enclose a check, money order to the TCEQ, or a copy of the ePay receipt along with the application to cover the required fee.

3. NAME OF APPLICANT

A. Company Name: Midlothian Energy Limited Partnership
B. Mailing Address (Street or P.O. Box): 5000 V.V Jones Road
C. City, State, and Zip: Venus, Texas 76084

4. PHYSICAL LOCATION OF PROPERTY REQUESTING A TAX EXEMPTION

A. Name of Facility or Unit: Midlothian Energy Limited Partnership
B. Type of Mfg. Process or Service: Electric Power Generation
C. Street Address: 5000 V.V Jones Road
D. City, State, and Zip: Venus, TX 76084
E. Tracking Number (Optional): 08-RC-MEL 2008
F. Company or Registration Number (Optional): _____

5. APPRAISAL DISTRICT WITH TAXING AUTHORITY OVER PROPERTY

A. Name of Appraisal District: Ellis County Appraisal District
B. Appraisal District Account Number: P 0079678

0742271

6. **CONTACT NAME**

A. Company/Organization Name: Ryan, Inc.
 B. Name of Individual to Contact: Mr. Greg Odell
 C. Mailing Address (Street or P.O. Box): Three Galleria Towers
13155 Noel Road
12th FL-LB 72
 D. City, State, and Zip: Dallas, TX 75240
 E. Telephone number and fax number: 972-934-0022
 F. E-Mail address (if available): greg.odell@ryanco.com

7. **RELEVANT RULE, REGULATION, OR STATUTORY PROVISION**

For each media, please list the specific environmental rule or regulation that is met or exceeded by the installation of this property.

MEDIUM	Rule/Regulation/Law
Air	See Attached Exhibit
Water	
Waste	

8. **DESCRIPTION OF PROPERTY (Complete for all applications)**

Describe the property and how it will be used at your facility. **Do not simply repeat the description from the Equipment & Categories List.** Include sketches of the equipment and flow diagrams of the processes where appropriate. Use additional sheets, if necessary.
See Attached Exhibit

Land: If a use determination is being requested for land, provide a legal description and an accurate drawing of the property in question.

9. **PARTIAL PERCENTAGE CALCULATION**

This section is to be completed for Tier III and IV applications. For information on how to conduct the partial percentage calculation, see the application instructions document. Attach calculation documents to completed application.

10. **PROPERTY CATEGORIES AND COSTS**

List each control device or system for which a use determination is being sought. Provide additional attachments for more than 3 properties.

Property	Taxable on 1/01/94?	DFC Box	ECL #	Estimated Cost	Use %
Land					
Property <u>See Attached Exhibit</u>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Totals					

1525750

11. EMISSION REDUCTION INCENTIVE GRANT

(For more information about these grants, see the Application Instruction document).

Will an application for an Emission Reduction Incentive Grant be filed for this property/project?

Yes No

12. APPLICATION DEFICIENCIES

After an initial review of the application, the TCEQ may determine that the information provided with the application is not sufficient to make a use determination. The TCEQ may send a notice of deficiency, requesting additional information that must be provided within 30 days of the written notice.

13. FORMAL REQUEST FOR SIGNATURE

By signing this application, you certify that this information is true to the best of your knowledge and belief.

Name:

Gosell

Date: April 25, 2008

Title:

Agent

Company:

Ryan, Inc.

Under Texas Penal Code, Section 37.10, if you make a false statement on this application, you could receive a jail term of up to one year and a fine up to \$2,000, or a prison term of two to 10 years and a fine of up to \$5,000.

14. DELINQUENT FEE/PENALTY PROTOCOL

This form will not be processed until all delinquent fees and/or penalties owed to the TCEQ or the Office of the Attorney General on behalf of the TCEQ are paid in accordance with the Delinquent Fee and Penalty Protocol. (Effective September 1, 2006)

**Midlothian Energy Limited Partnership
Pollution Control Exemption Calculation**

Condition	Heat Input (LHV) KJ/sec	GT Power Output kW	ST Power Output kW	Total Power Output kW
1	418,000	147,700	82,400	230,100
2	438,900	160,900	86,200	247,100
3	449,000	167,000	87,400	254,400
4	492,400	191,000	87,900	278,900
	1,798,300	666,600	343,900	1,010,500

Using the formula for Plant Thermal Efficiency: Eff=(Gas Output/Total Heat Input) x 100

Using the formula for Plant Thermal Efficiency: Eff=(Steam Output/Total Heat Input) x 100

Condition	CC Efficiency %	Simple Cycle Efficiency %	Steam Cycle Efficiency %
1	55.05	35.33	19.71
2	56.30	36.66	19.64
3	56.66	37.19	19.47
4	56.64	38.79	17.85
	56.19	37.07	19.12

Condition	Station Service kW	Total Power Output (Net) kW	CC Efficiency (Net) %	Net Heat Rate (LHV) KJ/KWH
1	5,400	224,700	53.76	6,696.93
2	5,400	249,000	55.46	6,491.57
3	5,400	273,500	55.54	6,481.32
4	5,400	747,200	42	6,556.60

Efficiency Gain

(CCE/SCE)-1=Efficiency Gain

1-Efficiency Gain = Environmental Benefit

CCE = 56.19

SCE = 37.07

(56.19/37.07)-1=.52

1-.52 = .48

Environmental Benefit	0.48
Tier IV Equipment Cost	\$ 82,412,314.00
Total Plant Cost	\$ 445,616,370.00
Pollution Control Exempt Cost @ 48% of Total Plant Cost	\$ 213,896,857.60
Tier IV Pollution Control Exempt Percentage	100%

07-12271

Update to application

11. PROPERTY CATEGORIES AND COST				7. RELEVANT RULE, REGULATION, OR STATUTORY PROVISION			8. DESCRIPTION OF PROPERTY		
PROPERTY	TAXABLE ON OR BEFORE 1/1/94? (Y/N)	DECISION FLOW CHART BOX PART B	PEL #	ESTIMATED PURCHASE COST	PERCENT EXEMPT	ADJUSTED COST	MEDIUM	RULE / REGULATION / LAW	DESCRIPTION / ENVIRONMENTAL BENEFIT
Twelve Enhanced Steam Turbines in Units 1 through 6	N	3	B-10	\$41,832,828	100%	\$41,832,828	Air	30 Texas Administrative Code §106.512(6)(B) 30 Texas Administrative Code §111.111(a) 30 Texas Administrative Code §111.151(a) 30 Texas Administrative Code §111.153(b)	Steam Turbines are used to convert steam from gas turbines in rotational energy. Steam turbines recycle steam containing dangerous emissions in rotational mechanical energy. The regenerative cycle prevents the dispersion of the emissions into the atmosphere.
Six Heat Recovery Steam Generators (HRSG) in Units 1 through 6	N	3	B-8	\$40,579,486	100%	\$40,579,486	Air	30 Texas Administrative Code §106.512(6)(B) 30 Texas Administrative Code §111.111(a) 30 Texas Administrative Code §111.151(a) 30 Texas Administrative Code §111.153(b)	The HRSG uses the heat from the exhaust of the gas fired turbines to create steam before releasing the exhaust into the atmosphere. The exhaust stacks control the dispersion of the emissions into atmosphere.
GRAND TOTAL				\$82,412,314		\$82,412,314			

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 10, 2012

Mr. Greg Odell
Agent
Ryan, Inc.
12th Floor LB 72
13155 Noel Rd
Dallas, Texas 75240

Re: Notice of Negative Use Determination
Midlothian Energy Limited Partnership
Midlothian Energy
5000 V V Jones Rd
Venus (Ellis County)
Application Number: 12271; Tracking Number: 08-RC-MEL 2008

Dear Mr. Odell:

This letter responds to Midlothian Energy Limited Partnership's Application for Use Determination, received April 29, 2008, pursuant to the Texas Commission on Environmental Quality's (TCEQ) Tax Relief for Pollution Control Property Program for the Midlothian Energy.

The TCEQ has completed the review for application #12271 and has issued a Negative Use Determination for the property in accordance with Title 30 Texas Administrative Code (TAC) §17.4 and §17.6. Heat recovery steam generators and steam turbines are used solely for production; therefore, are not eligible for a positive use determination.

Please be advised that a Negative Use Determination may be appealed. The appeal must be filed with the TCEQ Chief Clerk within 20 days after the receipt of this letter in accordance with 30 TAC §17.25.

If you have questions regarding this letter or need further assistance, please contact Ronald Hatlett of the Tax Relief for Pollution Control Property Program by telephone at (512) 239-6348, by e-mail at ronald.hatlett@tceq.texas.gov, or write to the Texas Commission on Environmental Quality, Tax Relief for Pollution Control Property Program, MC-110, P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in cursive script, appearing to read "cgoodin".

Chance Goodin, Team Leader
Stationary Source Programs
Air Quality Division

CG/RH

Mr. Greg Odell
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cc: Chief Appraiser, Ellis County Appraisal District, P. O. Box 878, Waxahachie, Texas 75165