STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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In the matter of

The State of Connecticut and

Sikorsky Aircraft Corporation

Trading Agreement
and Order No. 8120A
Modification 1

Whereas, the Commissioner of Environmental Protection ("Commissioner") and Sikorsky Aircraft Corporation (Sikorsky) having agreed to the terms and conditions set forth in Trading Agreement and Order 8120A issued on March 27, 2003, do now, by mutual agreement, modify said Trading Agreement and Order as follows:

1. Delete the date April 30, 2007, and substitute therefor the date May 1, 2009, in paragraphs A.6., B.1., B.2., B.6., and B.13.

2. Delete paragraph A.4. and substitute the following therfor:

   Official U.S. Environmental Protection Agency ("EPA") Reference Method 7E stack testing performed on May 16, 2005 and September 2, 2005 resulted in NOx emission rates as follows:

Table 1
NOx Stack Test Rates, FLERs and Allowable Limits (lbs/MMBtu)

UNIT Reg. or Permit No.	Fuel	Heat Input (MMBtu/hr)	Stack Test Rate	FLER	Allowable Limit Rate	Date of Last Stack Test	Date of Next Stack Test
Boiler No. 1 R178-0019	No. 6 oil	48.0	0.379	0.39	0.25	5/16/05	5/16/10
	Natural Gas	50.4	0.178	N/A	0.20	5/16/05	5/16/10
Boiler No. 2 R178-0018	No. 6 oil	48.0	0.289	0.34	0.25	5/16/05	5/16/10
	Natural Gas	50.4	0.175	N/A	0.20	5/16/05	5/16/10
Boiler No. 3 R178-0017	No. 6 oil	48.0	0.322	0.35	0.25	5/16/05	5/16/10
	Natural Gas	50.4	0.196	N/A	0.20	5/16/05	5/16/10
Boiler No. 4 R178-0016	No. 6 oil	48.0	0.319	0.33	0.25	5/16/05	5/16/10
	Natural Gas	50.4	0.196	N/A	0.20	5/16/05	5/16/10
Boiler No. 5 P178-0039	No. 6 oil	49.5	0.325	0.35	0.25	9/2/05	9/2/10
	Natural Gas	52.5	0.120	N/A	0.20	9/2/05	9/2/10

3. Delete paragraph B.2.b. and substitute the following therfor:

   No later than the twentieth day of each month, calculate and permanently retire DERCs used in the preceding calendar month for the boilers as follows:

   DERCs (tons)= {actual fuel use in MMBtu x ((FLER) – (.95 x NOx allowable limit))} ÷ 2000 lbs/ton

4. Delete paragraph B.7. and substitute the following therfor:

   Document that sufficient approved DERCs are available for the boilers no later than the first of each calendar month to assure compliance for, at a minimum, that calendar month. DERCs required shall be adjusted upwards by 100% if DERCs are not in Sikorsky's possession for use prior to the first day of each month or applicable season. However, nothing in this Trading Agreement and Order shall affect the Commissioner's authority to institute any proceeding or take any other action to require additional upward adjustment, based on the gravity of any alleged noncompliance or violation of law. Sikorsky shall permanently retire the quantity of DERCs equivalent to the excess emissions plus a 100% premium within sixty (60) days of Sikorsky's discovery of the DERC shortfall. Sikorsky shall certify and report any such DERC retirement to the Commissioner in accordance with paragraph B.18. of this Trading Agreement and Order.

5. Delete paragraph B.9.. and substitute the following therefor:

   FLER Exceedance. Noncompliance with an established FLER shall subject Sikorsky to make restitution by matching the quantity of emissions ("true up") caused by the exceedance plus a 100% premium. The true up in tons of DERCs shall be equal to the FLER exceedance in lbs/MMBtu, multiplied by the total heat input during the period of noncompliance divided by 2000 lbs/ton. If the period of noncompliance is not known, the time period from the completion of the last/previous Commissioner witnessed emission test through the date the FLER compliance is achieved as approved by the Commissioner shall be used. However, nothing in this Trading Agreement and Order shall affect the Commissioner's authority to institute any proceeding or take any other action to require additional upward adjustment, based on the gravity of any alleged noncompliance or violation of law. Sikorsky shall permanently retire DERCs calculated in accordance with the above plus a 100% premium within sixty (60) days of Sikorsky's discovery of the FLER exceedance. Sikorsky shall report any FLER exceedance to the Commissioner in accordance with paragraph C.12. of this Trading Agreement and Order.

6. Delete paragraph B.12 and substitute the following therefor:

   Extension. No later than May 1, 2009, with respect to the boiler, Sikorsky shall comply with the requirements of Sections 22a-174-22(d)(1) and 22a-174-22(d)(2)(A) of the Regulations and amendments thereto. There is no assurance that after full program review of this and other Trading Agreements and Orders that the Commissioner will grant a written extension of this Trading Agreement and Order.

7. Delete the date September 1, 2006, and substitute therefor the date September 1, 2008 in paragraph B.13..

8. Delete the word "individual" and substitute therefore the word "section" in paragraph B.29..

9. Delete the name "Mr. Roland L. Severance Jr., PE" in paragraph B.30..

All other terms and conditions of Trading Agreement and Order No. 8120A issued by the Commissioner acting under Chapter 446c, Sections 22a-6, 22a-171, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes shall remain in effect.

Sikorsky hereby consents to the entry of this modification to the Trading Agreement and Order without further notice.

SIKORSKY AIRCRAFT CORPORATION

Signature: _____

Name: ROBERT J. ARAUJO

Title: MANAGER ENVIRONMENT HEALTH AND SAFETY PROGRAMS

Date: 11/14/06

Issued as a modification of an Order of the Commissioner of Environmental Protection

_____ 11/27/06

Gina McCarthy
Commissioner

Date

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