

STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



In the matter of

BRIDGEPORT HYDRAULIC COMPANY

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TRADING AGREEMENT AND ORDER No. 8135

Whereas, the Commissioner of Environmental Protection ("Commissioner") and BRIDGEPORT HYDRAULIC COMPANY ("BHC") agree that it is in the public interest that they work cooperatively to improve the air quality within the State of Connecticut and that the use of emission reduction trading will achieve this result in a timely and cost-effective manner:


- A. At the request and with the agreement of BHC, the Commissioner finds the following:
1. BHC is a corporation that is a public water supplier in western Connecticut which owns and operates the Means Brook Pumping Station located on Sawmill City Road, Shelton, Connecticut ("facility").
2. At the facility, BHC operates one (1) diesel oil fired reciprocating engine ("engine") which is projected to emit four (4) tons per year of nitrogen oxides ("NOx") when burning diesel oil between June 1, 1995 and May 31, 1999. Pursuant to Section 22a-174-22, Regulations of Connecticut State Agencies ("Regulations"), the projected emission limit for this facility when burning diesel oil is 1.9 tons per year (equivalent to 2.08 pounds/million Btu of heat input [MMBtu] or 8 gm/bk hp-hr) for the time period of June 1, 1995 to May 1, 1999. The NOx deficit for the facility is estimated at 2.1 tons per year which will be offset by the purchase of approved ozone or non-ozone season emission reduction credits as described in Paragraph A.3. below.
3. Pursuant to Section 22a-174-22(j) of the Regulations, BHC will acquire approved emission reduction credits ("ERCs") until May 1, 1999 in sufficient amounts as to comply with Section C.2. of this Trading Agreement and Order. Approved ERCs are defined for purposes of this order as those for which the Commissioner has provided written authorization for use in compliance with Section 22a-174-22 of the Regulations.
4. On May 28, 1996 BHC purchased five (5) ozone season ERCs from the United Illuminating Company.
5. The engine efficiency used in the conversion of gm/bk hp-hr to lbs/MMBtu was 30 (thirty) percent.

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- B. The Commissioner, in accordance with the provisions of this Trading Agreement and Order, and pursuant to Sections 22a-174-22(d)(4) and 22a-174-22(j) of the Regulations, hereby allows BHC to use the ERCs purchased and referenced in Sections A.3 and A.4. herein, to achieve compliance with the NOx emission reduction required by Section 22a-174-22(d)(2) of the Regulations. The use of these credits shall not be allowed later than May 1, 1999.
- C. With the agreement of BHC, the Commissioner, acting under Sections 22a-6, 22a-171, 22a-174, 22a-176, and 22a-177 of the Connecticut General Statutes, orders BHC as follows:
1. After May 31, 1995 BHC shall execute a contract for the purchase of approved ERCs as required under this Trading Agreement and Order. ERCs shall be purchased for the period beginning June 1, 1995 and ending when BHC achieves permanent compliance with the emission standard in Section 22a-174-22(e) of the Regulations or May 1, 1999, whichever occurs earlier.
 2. After May 31, 1995 and until the facility engine complies with limits specified in Section 22a-174-22 of the Regulations or until May 1, 1999, whichever occurs earlier, BHC shall document and record the amounts of all fuel burned at the facility on a daily basis and shall calculate the quantity of NOx emitted which exceeds the standard of 2.08 lbs/MMBtu (8 gm/bk hp-hr). BHC shall maintain and provide such records to the Department upon request in accordance with the following and Section 22a-174-4 of the Regulations:
 - A. The calculation of ERCs will be as follows:
$$\text{ERCs (tons)} = (\text{Diesel Oil Use in MMBtu} \times (*\text{FLER lbs/MMBtu} - (2.08 \text{ lbs/MMBtu} \times .95))) \div 2000 \text{ pounds,}$$

$$*\text{FLER} = \text{Facility specific full load emission rate in lbs/MMBtu at BHC (4.42) when burning diesel oil;}$$
 - B. BHC shall purchase and retire an additional 35% of ERCs acquired after December 31, 1995, which were required from the period between June 1, 1995 and the date of purchase;
 - C. BHC shall acquire sufficient approved ERCs no later than the first of each calendar month to assure compliance for, at a minimum, that calendar month, except as specified in Section C.2.B. above;
 - D. After the facility engine complies with Section 22a-174-22(e) of the Regulations or after May 1, 1999, whichever occurs earlier, BHC must emit NOx at a rate no greater than 2.08 lbs/MMBtu (8 gm/bk hp-hr) when burning diesel oil;
 - E. No later than the tenth day of each month, calculate ERCs used in the preceding calendar month;

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- F. Document and record monthly fuel burned, NOx emissions and ERCs used;
 - G. No later than March 1 of the years 1997, 1998, 1999 and 2000, include with its annual emissions report to the Commissioner, NOx emissions and ERCs used for the previous calendar year, in monthly increments;
 - H. Retain records and supporting documentation as described in this section for a minimum of five years, commencing on the date such records were created;
 - I. Maintain documentation to attest to the fact that ERCs used during the ozone season were generated during the ozone season. The ozone season is May 1 to September 30 in any calendar year. Generator certification of this fact shall be sufficient; and
 - J. Provide the records specified above to the Commissioner within thirty (30) days of receipt of a written request from the Commissioner.
- 3. Provided that all conditions of this Trading Agreement and Order have been, and continue to be, met, comply during operation of the engine with a full load emission rate (FLER) limitation of 4.42 lbs/MMBtu or 17 gm/bk hp-hr, averaged on a 24-hour basis.
 - 4. By May 1, 1999, BHC shall comply with the requirements of Section 22a-174-22(d)(2) of the Regulations.
 - 5. As used in this Trading Agreement and Order, "Commissioner" means the Commissioner of Environmental Protection or an agent of the Commissioner.
 - 6. Notification of noncompliance. In the event that BHC becomes aware that it did not or may not comply, or did not or may not comply on time, with any requirement of this Trading Agreement and Order or of any document required hereunder, BHC shall immediately notify the Commissioner and shall take all reasonable steps to ensure that any noncompliance or delay is avoided or, if unavoidable, is minimized to the greatest extent possible. In so notifying the Commissioner, BHC shall state in writing the reasons for the noncompliance or delay and propose, for the review and written approval of the Commissioner, dates by which compliance will be achieved, and BHC shall comply with any dates which may be approved in writing by the Commissioner. Notification by BHC shall not excuse noncompliance or delay, and the Commissioner's approval of any compliance dates proposed shall not excuse noncompliance or delay unless specifically so stated by the Commissioner in writing.

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7. Certification of documents. Any document, including but not limited to any notice, which is required to be submitted to the Commissioner under this Trading Agreement and Order shall be signed by the chief executive officer of BHC or a duly authorized representative of such officer, as those terms are defined in Section 22a-430-3(b)(2) of the Regulations, and by the individual or individuals responsible for actually preparing such document, each of whom shall certify in writing as follows:

"I have personally examined and am familiar with the information submitted in this document and all attachments thereto, and I certify that based on reasonable investigation, including my inquiry of those individuals responsible for obtaining the information, the submitted information is true, accurate and complete to the best of my knowledge and belief. I understand that any false statement made in the submitted information may be punishable as a criminal offense under Section 22a-175 of the Connecticut General Statutes or, in accordance with Section 22a-6 of the Connecticut General Statutes, pursuant to Section 53a-157 of the Connecticut General Statutes, and in accordance with any other applicable statute."

8. Final Agreement and Order. This Trading Agreement and Order is the final agreement and order by and between the Commissioner and BHC with respect to the matters addressed herein, and shall not be modified without the written agreement of both parties.
9. False statements. Any false statement in any information submitted pursuant to this Trading Agreement and Order may be punishable as a criminal offense under Section 22a-175 of the Connecticut General Statutes or, in accordance with Section 22a-6, under Section 53a-157 of the Connecticut General Statutes.
10. Notice of transfer; liability of BHC and others. Until May 1, 1999, and in accordance with Public Act 95-218, BHC shall notify the Commissioner in writing at least thirty (30) days prior to transferring any license held by BHC to any other party and shall notify the Commissioner in writing no later than fifteen (15) days after transferring all or any portion of the operations, the facility or the business which are the subject of this Trading Agreement and Order, or obtaining a new mailing or location address. BHC's obligations under this Trading Agreement and Order shall not be affected by the passage of title to any property to any other person or municipality.
11. Commissioner's powers. Nothing in this Trading Agreement and Order shall affect the Commissioner's authority to institute any proceeding or take any other action to prevent or abate violations of law, prevent or abate pollution, recover costs and natural resource damages, and to impose penalties for violations of law which are willful or criminally negligent or for which penalties have not been specifically provided in this Trading Agreement and Order, including but not limited to violations of any permit issued by the Commissioner. If at any time the Commissioner determines that the actions

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taken by BHC pursuant to this Trading Agreement and Order have not fully achieved compliance with Section 22a-174-22(j) of the Regulations, the Commissioner may institute any independent proceeding to require BHC to undertake further investigation or further action.

12. BHC's obligations under law. Nothing in this Trading Agreement and Order shall relieve BHC of other obligations under applicable federal, state and local law.
13. Access to records and facility. Any representative of the Department of Environmental Protection may enter the facility and inspect and copy records pertaining to this Trading Agreement and Order within normal business hours without prior notice for the purposes of monitoring and enforcing the actions required or allowed by this Trading Agreement and Order.
14. No effect on rights of other persons. This Trading Agreement and Order shall neither create nor affect any rights of persons who or municipalities which are not parties to this Trading Agreement and Order.
15. Notice to Commissioner of changes. Within fifteen (15) days of the date BHC becomes aware of a change in any information submitted to the Commissioner under this Trading Agreement and Order, or that any such information was inaccurate or misleading or that any relevant information was omitted, BHC shall submit the correct or omitted information to the Commissioner.
16. Submission of documents. Any document required to be submitted to the Commissioner under this Trading Agreement and Order shall, unless otherwise specified in writing by the Commissioner, be directed to:

Mr. Eric Davis
Department of Environmental Protection
Bureau of Air Management
Engineering and Enforcement Division
79 Elm Street
Hartford, Connecticut 06106

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BHC consents to the issuance of this Trading Agreement and Order without further notice. The undersigned certifies that he/she is fully authorized to enter into this Trading Agreement and Order and to legally bind BHC to the terms and conditions of the Trading Order.

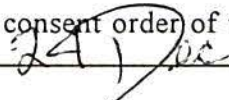
BRIDGEPORT HYDRAULIC COMPANY


Signature: 

Type Name: Charles V. Firlotte

Type Title: Senior V.P. & Chief Operating Officer

Date: December 20, 1996

Issued as a final consent order of the Commissioner of Environmental
Protection on , 1996.



Sidney J. Holbrook
Commissioner

TOWN OF SHELTON LAND RECORDS
MAILED CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Certified Document No.