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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

Commission file number 1-812

UNITED TECHNOLOGIES CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	**06 0570975** (I.R.S. Employer Identification No.)
One Financial Plaza, Hartford, Connecticut (Address of principal executive offices)	**06103** (Zip Code)

Registrant's telephone number, including area code: (860) 728-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock ($1 par value) (CUSIP 913017 10 9)	**New York Stock Exchange**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒. No ☐.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐. No ☒.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒. No ☐.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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SCHEDULE I

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON

FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
of United Technologies Corporation:

Our audits of the consolidated financial statements and of the effectiveness of internal control over financial reporting referred to in our report dated February 10, 2011 appearing in the 2010 Annual Report to Shareowners of United Technologies Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Hartford, Connecticut
February 10, 2011

Stock-based Compensation. We have long-term incentive plans authorizing various types of market and performance based incentive awards that may be granted to officers and employees. Our Long Term Incentive Plan (LTIP) was initially approved on April 13, 2005 and amended in 2008 to increase the maximum number of shares available for award under the LTIP to 71 million shares. Following initial approval of the LTIP, we may not grant any new awards under previously existing equity compensation plans. As of December 31, 2010, approximately 16 million shares remain available for awards under the LTIP. The LTIP does not contain an annual award limit. We expect that the shares awarded on an annual basis will range from 1% to 1.5% of shares outstanding. The LTIP will expire after all shares have been awarded or April 30, 2014, whichever is sooner.

Under all long-term incentive plans, the exercise price of awards is set on the grant date and may not be less than the fair market value per share on that date. Generally, stock appreciation rights and stock options have a term of ten years and a minimum three-year vesting period. In the event of retirement, awards held for more than one year shall immediately become vested and exercisable. In addition, under the LTIP, awards with performance-based vesting generally have a minimum three-year vesting period and vest based on performance against pre-established metrics. In the event of retirement, awards held more than one year remain eligible to vest. We have historically repurchased shares of our common stock in an amount at least equal to the number of shares issued under our equity compensation arrangements and expect to continue this policy.

We measure the cost of all share-based payments, including stock options, at fair value on the grant date and recognize this cost in the statement of operations. For the years ended December 31, 2010, 2009 and 2008, $154 million, $153 million and $211 million, respectively, of compensation cost was recognized in operating results. The associated future income tax benefit recognized was $47 million, $49 million and $72 million for the years ended December 31, 2010, 2009 and 2008, respectively.

For the years ended December 31, 2010, 2009 and 2008, the amount of cash received from the exercise of stock options was $386 million, $342 million and $163 million, respectively, with an associated tax benefit realized of $139 million, $95 million and $49 million, respectively. In addition, for the years ended December 31, 2010 and 2009, the associated tax benefit realized from the vesting of performance share units was $20 million and $33 million, respectively. Also, in accordance with the Compensation – Stock Compensation Topic of the FASB ASC, for the years ended December 31, 2010, 2009 and 2008, $94 million, $50 million and $32 million, respectively, of certain tax benefits have been reported as operating cash outflows with corresponding cash inflows from financing activities.

At December 31, 2010, there was $148 million of total unrecognized compensation cost related to non-vested equity awards granted under long-term incentive plans. This cost is expected to be recognized ratably over a weighted-average period of 1.5 years.

A summary of the transactions under all long-term incentive plans for the year ended December 31, 2010 follows:

	Stock Options		*Stock Appreciation Rights*		*Performance Share Units*		Other Incentive
(shares and units in thousands)	Shares	Average Price*	Shares	Average Price*	Units	Average Price**	Shares / Units
Outstanding at:							
December 31, 2009	38,896	$ 42.10	27,337	$ 62.70	3,112	$ 63.12	631
Granted	**529**	**73.70**	**6,033**	**72.98**	**1,002**	**71.63**	**279**
Exercised/earned	**(11,904)**	**37.21**	**(1,230)**	**59.94**	**(973)**	**62.81**	**(69)**
Cancelled	**(184)**	**44.34**	**(920)**	**65.08**	**(117)**	**65.22**	**(34)**
December 31, 2010	**27,337**	**$ 44.82**	**31,220**	**$ 64.72**	**3,024**	**$ 65.96**	**807**

* weighted-average exercise price
**weighted-average grant stock price

The weighted-average grant date fair value of stock options and stock appreciation rights granted during 2010, 2009 and 2008 was $17.86, $16.01 and $21.16, respectively. The weighted-average grant date fair value of performance share units, which vest upon achieving certain performance metrics, granted during 2010, 2009, and 2008 was $78.73, $61.56 and $84.01, respectively. The total fair value of awards vested during the years ended December 31, 2010, 2009 and 2008 was $172 million, $235 million and $144 million, respectively. The total intrinsic value (which is the amount by which the stock price exceeded the exercise price on the date of exercise) of stock options and stock appreciation rights exercised during the years ended December 31, 2010, 2009 and 2008 was $446 million, $296 million and $173 million, respectively. The total intrinsic value (which is the stock price at vesting) of performance share units vested was $62 million and $100 million during the years ended December 31, 2010 and 2009, respectively.

The following table summarizes information about equity awards outstanding that are vested and expected to vest and equity awards outstanding that are exercisable at December 31, 2010:

	Equity Awards Vested and Expected to Vest				*Equity Awards That Are Exercisable*			
(shares in thousands, aggregate intrinsic value in millions)	Awards	Average Price*	Aggregate Intrinsic Value	Remaining Term**	Awards	Average Price*	Aggregate Intrinsic Value	Remaining Term**
Stock Options/Stock Appreciation Rights	58,065	$ 55.11	$ 1,371	5.2	39,016	$ 49.57	$ 1,137	3.8
Performance Share Units/Restricted Stock	2,402	—	$ 189	1.3				

* weighted-average exercise price per share
**weighted-average contractual remaining term in years

The fair value of each option award is estimated on the date of grant using a binomial lattice model. The following table indicates the assumptions used in estimating fair value for the years ended December 31, 2010, 2009 and 2008. Because lattice-based option models incorporate ranges of assumptions for inputs, those ranges are as follows:

	2010	2009	2008
Expected volatility	**24% - 28%**	30% - 42%	23% - 26%
Weighted-average volatility	**25%**	30%	23%
Expected term (in years)	**7.4 - 7.9**	7.4 - 7.9	7.9 - 8.7
Expected dividends	**2.7%**	2.1%	1.6%
Risk-free rate	**0.1% - 4.0%**	0% - 2.5%	2.9% - 4.0%

Expected volatilities are based on the returns of our stock, including implied volatilities from traded options on our stock for the binomial lattice model. We use historical data to estimate equity award exercise and employee termination behavior within the valuation model. Separate employee groups and equity award characteristics are considered separately for valuation purposes. The expected term represents an estimate of the period of time equity awards are expected to remain outstanding. The risk-free rate is based on the term structure of interest rates at the time of equity award grant.