

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Central Power Plant
Low-Pressure Steam Handling Improvements

Approved by the Regents

October 20, 2006

Action Requested: Approval to Proceed with Project

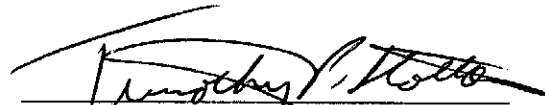
Background:

The Central Power Plant (CPP) provides low-pressure steam for heating and cooling to Central Campus and Medical Campus buildings. This project will reconfigure the low- and high-pressure steam piping at the north end of the CPP, upgrade the pressure-reducing valves to increase capacity, and increase the CPP capacity to convert high-pressure steam to low-pressure steam suitable for heating and cooling applications. There will be no impact on parking from this project.

The estimated cost of the project is \$800,000. Funding will be provided from Utility resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. The engineering firm of Black & Veatch will design the project. Construction is scheduled to be completed in fall 2007.

We recommend that the Regents approve the Central Power Plant Low-Pressure Steam Handling Improvements project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

October 2006