

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

December 13, 2007

Subject: Central Power Plant
2.4kV Switchgear Upgrade

Action

Requested: Approval to Proceed with Project

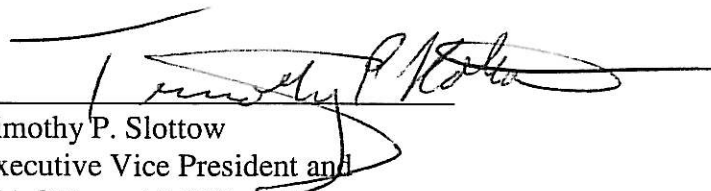
Background:

The Central Power Plant (CPP) provides electrical power to the Central and Medical campuses through purchased electricity and on-site generation of electricity. Steam is produced in the CPP boilers and routed through steam turbines connected to electric generators. A study noted that the 2,400 volt switchgear at the CPP was installed in the 1940s and has exceeded its useful service life. In order to increase reliability and improve the safety of workers performing routine maintenance, this project will replace the existing 2.4kV switchgear with new equipment that incorporates the latest technological and safety features. There will be no impact on parking from this project.

The estimated cost of the project is \$2,250,000. 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 CDA Associates will design the project. A phased construction schedule is planned to ensure that all CPP operations will continue without interruption, with construction scheduled to be completed in Summer 2009.

We recommend that the Regents approve the Central Power Plant 2.4kV Switchgear Upgrade 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

December 2007