

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Central Power Plant
Replace Steam Pressure Reducing Valves

Action Requested: Approval to Proceed with Project

Background:

During periods of low electrical demand, two steam pressure reducing valves reduce main steam pressure at the Central Power Plant. In addition, these valves allow for the safe and rapid balancing of steam and electric loading during unexpected events. These valves are beyond their useful life and are in need of replacement. One valve is no longer operational and the other is unreliable and difficult to service due to the unavailability of replacement parts. This project will replace the two existing valves with valves of similar capacity. In addition, a third smaller pressure reducing valve will be installed in order to create additional redundancy for controlling steam supply in the event that the steam generators are disabled. There will be no impact on parking from this project.

The estimated cost of the project is \$875,000. Funding will be provided from Utility reserves. 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 University of Michigan, Plant Extension – Architecture, Engineering and Construction will design the project. Construction is scheduled to be completed in Summer 2004.

We recommend that the Regents approve the Central Power Plant – Replace Steam Pressure Reducing Valves 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

September 2003

APPROVED BY THE REGENTS ON
SEP 18 2003