



July 30, 2018

City of Ann Arbor
Attn: Josh MacDonald
301 E. Huron 5th Floor
Ann Arbor, MI 48107

Re: City of Ann Arbor - Conversion of Mercury Vapor Street Lights to LED

Based on your request, I have attached a cost estimate for the proposed 2018 street light conversion project. The total light count is 378 street lights and reflects the following descriptions:

Overhead (OH) – DTE Owned and Maintained Street Lights on Wood Poles

4 – 100 watt Mercury Vapor to 58 watt LED
367 - 175 watt Mercury Vapor to 58 watt LED
1 – 250 watt Mercury Vapor to 136 watt LED
1 – 400 watt Mercury Vapor to 136 watt LED

Underground (UG) – DTE Owned and Maintained Street Lights Fed by Underground Cable

3 - 400 watt Mercury Vapor to 136 watt LED
2 – 1000 watt Mercury Vapor to 238 watt LED

Below please find the estimate breakdown for this project. The costs are based on the Option 1 Municipal Street Light rate - DTE Energy owned and maintained. The rate requires the customer pay a portion of the construction cost. The following information outlines the street lighting installation.

Estimate Breakdown

Project Cost	\$88,790.00
Less DTE Labor Contribution	\$23,436.00
Total Upfront Cost	\$65,354.00

EO Rebate Issued After Construction	\$11,362.00
Final Cost to Convert after Rebate	\$53,992.00
Current Annual Invoice	\$89,382.76
Future Annual Invoice	\$55,620.19
Annual Savings	\$33,762.57
Payback	1.60 years

The price quoted is an estimate only! Final costs to be calculated after field verification of streetlights is completed. After installation, the total cost for additional modification, relocation, or removal will be the responsibility of the requesting party. An authorized signature on the Municipal Street Lighting Purchase Agreement and the payment contribution will be our notification to begin final design and construction scheduling.

Please feel free to contact me if you have any questions at 734-397-4017.

Sincerely,

Brandon R. Faron

Brandon R. Faron
Account Manager
DTE Energy - Community Lighting