



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704  
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
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May 8, 2012

Catharine W. Cummer, Regulatory Counsel  
Duke University Health System  
3100 Tower Boulevard, Box 3229  
Durham, NC 27707

RE: Exempt from Review / Duke University Health System d/b/a Durham Regional Hospital /  
Upgrade and expansion of the hospital's chillers / Durham County  
FID #: 923142

Dear Ms. Cummer:

In response to your letter of May 2, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(4). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need. However, you may need to contact the Construction Section of the Division of Health Service Regulation to determine if they have any special requirements for the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Michael J. McKillip  
Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

cc: Construction Section, DHSR





# Duke University Health System

Catharine W. Cummer  
Regulatory Counsel, Strategic Planning



May 2, 2011

Via Electronic Mail

Michael J. McKillip, Project Analyst  
Certificate of Need Section  
Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, NC 27699-2704

Re: Cooling system project at Durham Regional Hospital

Dear Mr. McKillip:

I am writing to notify you of a project proposed by Durham Regional Hospital ("DRH") and to request the Section's written confirmation that this project is exempt from certificate of need review.

DRH proposes to spend approximately \$3.75 million to upgrade and expand the chilled water system that produces conditioned air for the hospital building and the Watts Building. This project includes replacing a chiller, adding an emergency generator, and installing an additional cooling tower. These renovations are needed to improve the reliability of the cooling system and its ability to provide adequate cooling capacity for the facility at all times throughout the year. The North Carolina Division of Health Service Regulation requires hospitals to maintain temperatures between 70 and 75 degrees Fahrenheit in most patient care areas. This project will allow DRH to meet this requirement, in the event of a power failure, at all times throughout the year. The budget summary provided by Duke University Health System's Facility Planning, Design and Construction Director for this project is attached.

Although this project will cost more than two million dollars, it is our understanding that it is exempt from certificate of need review pursuant to Section 131E-184(4), as it is needed "[t]o provide parking, heating or cooling systems, elevators, or other basic plant or mechanical improvements, unless these activities are integral portions of a project that involves the construction of a new health service facility or portion therefor and that is subject to certificate of need review." This project is not integral to any other construction project that would otherwise require a CON.

Michael J. McKillip  
May 2, 2012

We would appreciate your review of this request and confirmation of our understanding.  
Please let me know if you have any questions or if we can provide you any further information.

Very truly yours,



Catharine W. Cummer

Enclosure



# DukeMedicine

## FPDC Budget Summary DRH Chiller Cooling Tower Generator & Enclosure FPDC Project Number TBD

Project Manager: Joe Czejkowski

April 17, 2012

Total gsf 350

Budget Estimate No: 1

Description	Totals	Remarks
Total Building Construction	\$2,950,000	
Total Utilities, Permits and Inspections	\$24,013	
Total FF&E	\$0	
Total Design & Management	\$286,000	
<b>Subtotal</b>	<b>\$3,260,013</b>	
Project Contingency	\$489,002	
<b>Total Project Cost</b>	<b>\$3,749,014</b>	

approved: [Signature]

Shawn Subasic, Director, FPDC

4/17/12

Date