



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Office of the Director

2701 Mail Service Center • Raleigh, North Carolina 27699-2701
<http://www.ncdhhs.gov/dhsr/>

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt, Director
Phone: 919-855-3750
Fax: 919-733-2757

April 24, 2013

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

Exempt from Review

Facility: Duke University Health System d/b/a Duke University Hospital
Project Description: Electrical infrastructure system upgrade
County: Durham
FID #: 943138

Dear Ms. Cummer:

In response to your letter of April 16, 2013, 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 need to contact the Construction and Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to determine if they have any requirements for development of 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
Acute and Home Care Licensure and Certification Section, DHSR



 **Duke University Health System**

Catharine W. Cummer
Regulatory Counsel, Strategic Planning

April 16, 2013

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: Electrical infrastructure system upgrade at Duke University Hospital

Dear Mr. McKillip:

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

Duke is proposing to upgrade the electrical infrastructure systems located in the existing hospital building ("Duke North"), at a projected total cost of approximately \$18 million. Most of the existing electrical infrastructure systems located in Duke North are 34 years old or more, and have reached the end of their expected useful life. Most of this equipment requires frequent repairs and have a limited availability of replacement parts. The future safe and effective function of the electrical system for both normal and critical power cannot be relied upon.

Duke proposes to replace the existing 15 kV main electrical service, an emergency substation and all associated electrical distribution equipment from the main service up to the distribution switchboards that currently feed the various isolation panel boards in several operating rooms. An additional 15 kV substation as well as additional distribution switchgear, automatic transfer switch equipment and switchboards are also required to provide additional distribution capacity and Critical Branch circuits necessary for the effective operation of the hospital. When the hospital was designed and constructed more than 30 years ago, two separate electrical distribution systems were not required by code. However, as current code requirements reflect, it is now recognized as good engineering practice to have this redundancy to minimize the possibility that an electrical failure in one system could leave critical patient care equipment without power. The proposed work will also provide additional electrical capacity and circuits to allow the addition of isolation panels to several Duke North operating rooms in the future.

Michael J. McKillip
April 16, 2013

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.

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