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CERTIFICATE OF NEED APPLICATION
PUBLIC HEARING

PROVIDENCE ALASKA MEDICAL CENTER
EMERGENCY POWER SUPPLY

Taken June 17, 2010
Commencing at 5:25 p.m.

Volume I - Pages 1 - 9, inclusive

Taken at
Frontier Building
3601 C Street, Suite 880
Anchorage, Alaska

Reported by:
Mary A. Vavrik, RMR

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A-P-P-E-A-R-A-N-C-E-S

For State of Alaska:

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Taken by:

Mary A. Vavrik, RMR

BE IT KNOWN that the aforementioned proceedings were taken at the time and place duly noted on the title page, before Mary A. Vavrik, Registered Merit Reporter and Notary Public within and for the State of Alaska.

1 P-R-O-C-E-E-D-I-N-G-S

2 MS. KAREN LAWFER: So we will open
3 this public meeting. This evening we are taking
4 testimony on the Certificate of Need application
5 submitted by Providence Alaska Medical Center for
6 emergency power supply system.

7 We are in the public comment period for the
8 Certificate of Need application. And all public
9 comments need to be received in my office by 4:30
10 June 28th. I have copies of the public notice
11 available here if you would like to take one with
12 you if you know of somebody that would like to
13 submit a public comment. Otherwise, it is available
14 on-line, as well. The application is available
15 on-line for people to look at it.

16 And with that, I also want to let everybody
17 that is here know that once you have provided your
18 thoughts and your testimony regarding this CON
19 application, it is perfectly acceptable for you to
20 leave. I will not take it as a personal affront.
21 And we will be here till 6:30, but you are more than
22 welcome to leave.

23 And with that, I would like to introduce
24 Robert Honeycutt with Providence Alaska Medical
25 Center.

1 MR. ROBERT HONEYCUTT: Thank you. My
2 name is Robert Honeycutt. I'm the Chief Operating
3 Officer for Providence Alaska Medical Center, and we
4 are seeking approval to build an emergency generator
5 building and replacement switchgear for our current
6 system.

7 Our current system is between 24 and 36
8 years old, and instead of just a simple one-to-one
9 replacement, we are also looking at increasing our
10 capacity over our current system we have, to
11 increase our functionality and the length of time
12 that we can run the system. This is in answer to
13 the Joint Commission on Accreditation of Health Care
14 Organizations Sentinel Event Alert, Issue 37, which
15 was dated September 6, 2006.

16 What we are proposing is to increase our
17 capacity from the current 3.2 megawatts to four
18 megawatts, as well as provide an additional
19 generator, two-megawatt backup generator. That's so
20 that if one of the primary generators goes down, it
21 will kick in and still we will be able to provide
22 the four megawatts of power.

23 In addition to that, we are looking to
24 triple our fuel storage from our current capacity of
25 30,000 gallons to 90,000 gallons. This will allow

1 us to operate the system the 96 hours that the Joint
2 Commission is recommending we be able to do.

3 In order to do this, what we are looking to
4 build is a 19,278-square-foot building that will be
5 located adjacent to our existing facilities building
6 and will house the generators and the switchgear.

7 The reason we are having to build a separate
8 building instead of just replace the generators
9 where they are currently located is, number one, the
10 new equipment is larger, takes up more space than
11 what we have.

12 And two, we are required to continually
13 provide the emergency generator capabilities to the
14 campus so, therefore, we can't take out what we have
15 now and replace it because during that we would be
16 down and not be able to provide the required
17 emergency power generation. So this is forcing us
18 to build a separate building, put all the equipment
19 in it, run it up and make sure it's operational,
20 hook it into the hospital, and then we can remove
21 the old equipment. That way we will continuously
22 have the emergency generator power capability.

23 And third, we are building the building
24 large enough so that in the future, as Providence
25 grows, we will be able to add additional generator

1 sets to provide emergency power generation to the
2 new buildings.

3 And it's important to note that this
4 building and generators will provide power only to
5 the campus, Providence Alaska Medical Center campus.
6 It will not provide power to the attached and
7 associated medical office buildings.

8 The decision to do this, aside from the
9 fact that the current equipment is old and is
10 needing replacement is, as I mentioned earlier, the
11 requirement of the Joint Commission that states that
12 a hospital must be able to operate for 96 hours in
13 the event of an emergent or disastrous event when
14 electrical power is unavailable from external
15 sources; in other words, the utility power coming in
16 from ML&P.

17 What it doesn't do is define the level of
18 operations, leaving the hospital some flexibility to
19 respond to the immediate and predicted patient care
20 needs of the community. By having these generator
21 sets, as well as the expanded capacity of our fuel
22 storage, we will be able to meet this new
23 requirement.

24 And as the largest health care provider and
25 the only tertiary care provider facility in Alaska,

1 we must have this project in order to both have an
2 adequate and reliable supply of electrical power in
3 the event of a natural disaster or anything else
4 that interrupts utility power to the hospital, as
5 well as appropriately size it to provide and sustain
6 this power over the required amount of time.

7 We will very carefully phase in this power.
8 As I mentioned, we have to continually provide
9 emergency power generation capability during the
10 construction, and then as we build it and phase it
11 in, we will take the old equipment out and then we
12 will be completely on the new equipment.

13 The total cost associated with this is
14 \$36,102,750. Construction will be final no later
15 than March of 2013. And that's it. Any questions?

16 MS. KAREN LAWFER: All right. Thank
17 you. Is there anyone else who would like to speak
18 as -- in regard to the Certificate of Need?

19 MR. DONALD LONG: No.

20 MS. JANE GRIFFITH: No.

21 MS. KAREN LAWFER: With that, we will
22 go off the record. And now you can talk amongst
23 yourselves.

24 (Off the record.)

25 MS. KAREN LAWFER: It is now 6:30.

1 There was no other testimony provided during the
2 public hearing. And with that, we will adjourn.

3 (Proceedings adjourned at 6:30 p.m.)
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REPORTER'S CERTIFICATE

I, MARY A. VAVRIK, RMR, Notary Public in
and for the State of Alaska do hereby certify:

That the foregoing proceedings were taken
before me at the time and place herein set forth;
that the proceedings were reported stenographically
by me and later transcribed under my direction by
computer transcription; that the foregoing is a true
record of the proceedings taken at that time; and
that I am not a party to nor have I any interest in
the outcome of the action herein contained.

IN WITNESS WHEREOF, I have hereunto
subscribed my hand and affixed my seal this _____
day of _____ 2010.

MARY A. VAVRIK,
Registered Merit Reporter
Notary Public for Alaska

My Commission Expires: November 5, 2012

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