

RHODE ISLAND PUBLIC UTILITIES COMMISSION

IN RE: REVIEW OF AMENDED POWER :  
PURCHASE AGREEMENT BETWEEN : DOCKET NO. 4185  
NARRAGANSETT ELECTRIC COMPANY :  
D/B/A NATIONAL GRID AND DEEPWATER :  
WIND BLOCK ISLAND, LLC PURSUANT TO :  
R.I. GEN. LAWS § 39-26.1-7 :

Data Request of Attorney General Patrick C. Lynch  
To Deepwater Set 1

AG1-1. Please set forth your interpretation of the term “the developer” in §7 of the LTC Statute (R.I. Gen. Laws § 35-26.1-7).

AG1-2. Please state the meaning of the phrase “the developer” in §7 of the LTC statute (R.I. Gen. Laws § 35-26.1-7).

AG1-3. Please state all steps you have taken to show that you qualify for, or should be selected for, the status of “the developer” since the passage of the most recent amendment to §7 of the LTC Statute (R.I. Gen. Laws § 35-26.1-7).

AG1-4. Please state all selection processes you have undergone with respect to qualifying for the status of “the developer” since the passage of the most recent amendment to §7 of the LTC Statute (R.I. Gen. Laws § 35-26.1-7).

AG1-5. Explain, identify and describe all evidence you have provided to National Grid of your fitness, capacity, character, capitalization, competence and expertise since the time of the passage of the most recent amendment to §7 of the LTC Statute (R.I. Gen. Laws § 35-26.1-7).

AG1-6. On July 1, 2010, Deepwater provided a Memorandum in Support of Approval of the Amended Power Purchase Agreement (which Memorandum is in letter form). In that Memorandum, Deepwater states “The current project cost estimates target a 10.5% unlevered rate of return for Deepwater Wind....To the extent that there are costs savings, the New PPA price is reduced, but Deepwater Wind’s return remains the same. To the extent there are cost overruns, the New PPA price is capped and is not increased, but Deepwater Wind’s return will be negatively impacted.”

In this connection, please provide (i) the detailed proforma income statements, balance sheet, and cashflow statement forecasts (including gross to net revenue, detail operating & maintenance expense, non-cash expenses, incentive tax credits, production tax credits, cash taxes paid, and annual capital expenditures) for each year contemplated under the term of the

Amended Power Purchase Agreement and (ii) underlying calculations that are the basis of the statement quoted above.

AG1-7. Please provide details on the sources of capital (debt and equity), and associated financial terms for such capital, that will be used to fund the \$205,403,512 Base Amount cited in the Amended Power Purchase Agreement.

AG1-8. With respect to each of the following entities,

Deepwater Wind Block Island, LLC  
Deepwater Wind Holdings, LLC  
Deepwater Wind Rhode Island, LLC  
Deepwater Wind Block Island Transmission, LLC.

Please state the date of commencement, the members of the board of directors since commencement and their dates of services, the officers and shareholders since commencement and their respective periods of service or ownership, the precise relationship to the other entities listed, and any ownership or control of, or by, the other entities listed.

AG1-9. Please explain the relationship between the entity which signed the JDA and the entity which signed the currently reviewed amended PPA.

AG1-10. Please provide any and all contracts between any of the entities listed above and any of the other entities above or any affiliate companies of any of them, including, but not limited to, staffing, construction, operations, maintenance, financing, general management and public relations contracts.

AG1-11. This is a request for all of the financial forecast assumptions, including the 20-year underlying financial statement, cashflows, tax credits and capitalization forecasts, used by Mr. Pasqualini to arrive at all of the calculations noted in his testimony filed you in this docket. Please forward those documents in a manner that identify them as responsive to this request.

AG1-12. Please provide updated versions of the Deepwater response to the July 31, 2009 Request For Proposals for:

- a. Item 7 – Financing Plan (attached)
- b. Item 10 - Engineering and Technology; Commercial Access to Equipment (attached)
- c. Item 11 – Operation and Maintenance (attached)
- d. Item 12 – Project Schedule (attached)

AG1-13. Please provide any contracts that address the allocation of development costs and cash payments to Deepwater Wind Block Island, LLC, principals, or affiliated companies.

AG1-14. Please list all employees, personnel or representatives of yours that were involved in the negotiation of the Amended PPA. Please list each individual's name, job title, and role in negotiations.

AG1-15. In response to Division Data Request 1-10, National grid stated:

"Mr. Milhous only reviewed the cost estimates provided by Deepwater Wind, including the projected returns for the project, largely to understand the cost assumptions and confirm calculations."

Please provide any materials shown and/or provided by you to all National Grid representatives in the course of this review and the negotiation of the Amended PPA.

AG1-16. Please provide all applications, documents, filings, and correspondence from all parties, including the US Government, produced in connection with any of Deepwater's applications to the US Department of Energy Loan Guarantee Program. Please state whether the status of having "commenced construction" is a prerequisite for submitting an application for such program? Please state whether claiming the status of having "commenced construction" is a prerequisite for having an application considered for such program? Please state on what basis Deepwater believed, at the time of the submittal of the application, that it did qualify as having "commenced construction."

AG1-17. Please indicate whether Deepwater will reapply to the US Department of Energy Loan Guarantee Program. If so, please indicate what criteria Deepwater believes it will need to establish in order to participate in such program and when Deepwater intends to reapply.

AG1-18. Please provide details on Deepwater's anticipated capital structure (debt and equity), including funded amounts, capital commitments, and all associated financial terms and conditions for such capital, that will be used to fund the Base Amount as such term is defined in the Amended PPA and ongoing working capital needs for the project. Please identify expected sources of such capital by naming the parties that will own such equity and debt securities.

AG1-19. Please provide all evaluations, studies, reports, correspondence, presentation materials, and work papers related to any third-party credit assessment of Deepwater.

AG1-20. Please indicate whether Deepwater or its affiliates have elected to extend the option to lease the Property as defined in that certain Development Agreement dated as of June 30, 2009.

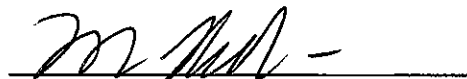
AG1-21. Please provide details of all payments made by Deepwater and its affiliates to the Quonset Development Corporate or any other agency or official of The State of Rhode Island and Providence Plantations.

AG1-22. Please provide copies of all documents you refer to in your answers to these data requests, identifying such document to the pertinent request.

RESPECTFULLY SUBMITTED  
INTERVENOR,

PATRICK C. LYNCH  
ATTORNEY GENERAL

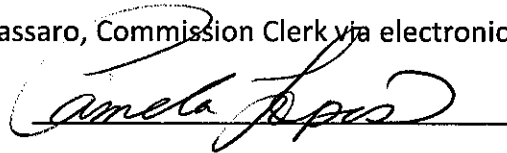
By his Attorney,



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**CERTIFICATE OF SERVICE**

I hereby certify that on the 19<sup>th</sup> day of July, 2010, that I transmitted an electronic copy of the within document to the service list and to Luly Massaro, Commission Clerk via electronic mail.



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