ADLER POLLOCK & SHEEHAN P.C.

July 26, 2010

Via Electronic Mail and Overnight Mail

Ms. Luly Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: **Docket 4185 - Review of Amended Power Purchase Agreement Between
         Narragansett Electric Company d/b/a National Grid and Deepwater Wind
         Block Island, LLC Pursuant to R.I. Gen. Laws § 39-26.1-7**

Dear Luly:

On behalf of the Rhode Island Economic Development Corporation ("RIEDC"), enclosed
please find an original and twelve copies of corrections to the July 20, 2010 Advisory Opinion of
the RIEDC.

Please let me know if you have any questions regarding this filing.

Sincerely,

Alan M Shoer /JBT

Alan M. Shoer, #3248

Enclosures

cc: Service List in Docket 4185 via electronic mail

LEVITAN & ASSOCIATES, INC.

MARKET DESIGN, ECONOMICS AND POWER SYSTEMS

July 26, 2010

Frederick Hashway
Director, Government Affairs, Policy and Innovation
Rhode Island Economic Development Corporation
315 Iron Horse Way, Suite 101
Providence, RI 02908

Re: <u>Corrections and Clarifications to Advisory Opinion in RI PUC Docket No. 4185</u>

Dear Mr. Hashway,

Levitan & Associates, Inc. ("LAI") has provided the Rhode Island Economic Development Corporation with an Advisory Opinion on the economic development impacts of the Deepwater Wind LLC ("Deepwater") Block Island Wind Farm ("BIWF") project. This document was filed at the Rhode Island ("RI") Public Utility Commission ("PUC") in Docket No. 4185. Please note the following corrections and clarifications:

Page 6, Table 1 values were based on a capital cost breakdown from Deepwater on July 9. I received a revised cost breakdown, submitted by Deepwater as a data response to PUC question 1-7, after our Advisory Opinion was filed. While incorporating the revised cost breakdown in our IMPLAN analysis of economic development benefits, we used this opportunity to check our input assumptions and made two significant corrections. First, we restricted development and construction activities to the years 2010-2012 consistent with Deepwater's schedule of employment in Attachment 2; this correction reduces the estimated benefits to RI.[1] Second, we utilized higher expected average compensation values for Deepwater office staff and operations and maintenance ("O&M") staff based on detailed cost data for other wind projects with which we are familiar; this correction increases the estimated benefits to RI.[2] The net result of our corrections was that the estimated contribution of BIWF to RI reported on the top of page 6 should be $129 million in constant 2010 dollar terms and Table 1 should be revised as shown:

Table 1. Contribution to RI GDP from BIWF Project

	Constant Dollar Value	Net Present Value
Direct Effects	$63 million	$49 million
Indirect Effects	$24 million	$19 million
Induced Effects	$43 million	$34 million
Total	$129 million	$102 million

---

[1] We had one extra year, 2013, of project construction and operations that was inconsistent with Deepwater employment data and our assumption of a January 1, 2013 commercial operating date.
[2] We had one-half of the average fully-loaded compensation of $90,000 for those staff, many of which we expect to have specialized training or to be senior managers.

Page 9, second full paragraph, third line: replace $886 million with $893 million, consistent with the value in Table 2.

Page 9 Table 2 should be titled "Contribution to RI GDP from RI Sound Wind Project" to be consistent with Table 1.

Attachment 4, the value in the column "RI %" for the lines "Insurance During Construction" and "Financing Costs" should be 0% instead of 100%.

Please let me know if you have any questions about these corrections and clarifications to my Advisory Opinion.

Sincerely yours,

Seth G. Parker
Vice President & Principal