

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the matter of the Petition of)
Sea Breeze Pacific Juan de Fuca Cable, PL (a)
U.S. limited Partnership), Olympic Converter)
Corporation (a U.S. limited partnership) and)
Victoria Converter, NSULC (a Nova Scotia)
company) for a Declaratory Order Disclaiming)
Jurisdiction Under Title 80 of the Revised Code)
of Washington.)
_____)

Docket No. _____

DECLARATION OF
BRIAN N. CHERNACK

Brian N. Chernack declares as follows:

1. I am President of Sea Breeze Pacific Regional Transmission System, Inc., the general partner for Sea Breeze Pacific Juan de Fuca Cable, LP, (“Sea Breeze”).

Statements of Fact re: Project Facilities

2. The Juan de Fuca Project (“JdF Project”) consists of a new direct current (“DC”) submarine transmission cable, approximately 22 miles in length, extending beneath the Strait of Juan de Fuca between Washington State and the Province of British Columbia. The Project is intended, in large part, to augment the fully utilized international interconnections between the United States and Canada.
3. At its southern terminal in Port Angeles, Washington, the JdF Project will connect with the transmission network of Bonneville Power Administration (“BPA”) at a voltage of 230 kV. At its northern terminal near Victoria, B.C., the project will connect with the transmission network of British Columbia Transmission Corporation (“BCTC”), also at 230 kV.

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4. The JdF Project will enable controlled, bi-directional exports and imports of up to 1,100 MW between the BPA transmission network in the United States and the BCTC transmission network on Vancouver Island and, from there, to mainland Canada.
5. The JdF Project facilities will be constructed on public and private lands owned by a variety of parties through real property easements and similar rights held by Sea Breeze.
The southern terminal will consist of an AC/DC converter station, which will be connected to the BPA Port Angeles substation. From the converter station, the line will be buried beneath the City of Port Angeles' rights of way for approximately one mile to a site near Port Angeles Harbor.
6. The northern terminal will consist of another AC/DC converter station, which will be connected to the BCTC Pike substation near McCauley Point in Esquimalt, B.C.
7. At each end, the cable will be horizontally deep drilled to about one-half mile offshore, where it will transition to a submarine cable buried under or laid on the sea floor of the Strait of Juan de Fuca at a depth required by the relevant permitting agencies. The length of the submarine cable will be approximately 18 miles.
8. The JdF Project will utilize the HVDC Light® transmission technology developed for commercial application in the 1990s by ABB. One of the benefits of HVDC Light is that it uses underground and undersea cables, so it can be installed with fewer environmental consequences than conventional overhead transmission technology.
9. A JdF Project interconnection study is currently being finalized by BPA, and a Regional Plan Study is underway to satisfy the Western Electricity Coordinating Council's standards regarding path rating, reliability, and impact on the regional grid.

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10. The Project is expected to provide BPA and BCTC with opportunities for upgrading either or both of their AC networks. Depending on the outcome of the studies now being performed by BPA, BCTC, and others, the JdF Project may facilitate or become part of BPA's efforts to reinforce its transmission on the Olympic Peninsula, relieve constraints along the I-5 transmission corridor and north of Seattle related to BPA's obligations to return power to Canada under the Canadian Entitlement. It may also facilitate or become part of BCTC's efforts to reduce constraints affecting the reliability of Vancouver Island's electric service.
11. Although these future upgrades may be facilitated by the construction of the JdF Project, they would be separately owned and operated by the relevant network operators and not by Sea Breeze.

Statements of Fact re: Services and Operations

12. The JdF Project facilities will be used exclusively to provide international transmission services between the BPA and BCTC networks. Sea Breeze does not intend to offer any transmission services beyond the Port Angeles or Victoria terminals of the Project, and by itself, the Project will not be capable of interstate or intrastate transmission.
13. Sea Breeze has applied for interconnection to both BPA and BCTC, but not for network transmission service from either transmission provider. In order for the JdF facilities to be utilized for the purposes of transmitting power beyond the Port Angeles terminal into the U.S., or beyond the Victoria terminal into Canada, a customer, lessee, or other user will need to secure additional transmission rights on the system of BPA and/or BCTC.
14. Once construction is completed, Sea Breeze does not intend to operate or maintain the JdF Project facilities. Responsibility for operations and maintenance will be transferred via

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contract to a responsible third party. One alternative under consideration involves a lease of the facilities to a network transmission owner such as BPA and/or BCTC. A second alternative involves a lease or other contract with an operator other than a network transmission owner. In either event, Sea Breeze intends that JdF Project capacity will be made available under the operator's Open-Access Transmission Tariff, or equivalent tariff, under standards adopted by the Federal Energy Regulatory Commission ("FERC").

Statements of Fact re: Permitting & Regulatory Approvals

15. The Canadian portion of the JdF Project will require a Certificate of Public Convenience and Necessity, application for which is expected to be submitted to the National Energy Board of Canada this fall.
16. Sea Breeze has also applied to the U.S. Department of Energy for a Presidential Permit, which is required by under U.S. federal law for international transmission interconnections.
17. The U.S. Department of Energy has already put Sea Breeze on notice that any Presidential Permit it may issue will carry the obligation that that JdF Project capacity be made pursuant to an Open-Access Transmission Tariff. Anticipating that obligation, Sea Breeze applied to FERC for authority to sell Project transmission rights at negotiated rates. That authorization was granted by FERC in its order of September 15, 2005, in Docket Nos. ER05-1228-000 and ER05-1228-001. A copy of that FERC order is attached to the Sea Breeze petition to which these declarations relate. At page 13 of its order, FERC held that Sea Breeze, as owner of the JdF Project, is a "public utility" for purposes of Part II of the Federal Power Act.

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18. Preparation of an Environmental Impact Statement (“EIS”) to satisfy National Environmental Policy Act (“NEPA”) requirements is underway by BPA and is expected to be completed by June of 2006. This EIS being prepared in connection with decisions by BPA regarding interconnection of the JdF Project to the BPA network, the Energy Department’s decision regarding a Presidential Permit for the Project and other federal permits. Sea Breeze filed applications in the spring of 2005 for other U.S. and Canadian federal permits and approvals regarding fisheries, wildlife, navigation, defense and cultural and historic resources.
19. State permitting under the Washington State Environmental Policy Act (SEPA) is also underway, and being coordinated with the NEPA process, with the City of Port Angeles acting as lead agency.
20. Washington State natural resource agencies, the Army Corps of Engineers, and other U.S. natural resource agencies are coordinating issuance of numerous environmental and construction-related permits under a Joint Aquatic Resources Permit Application.
21. Sea Breeze will be requesting municipal building permit approvals, a Coastal Zone Management Act consistency determination, rights-of-way and road openings as the time slated for commencement of construction approaches.
22. Major permitting activities began in late 2004 and are expected to be completed by July 2006.
23. To the best of my knowledge, no permit is required from the Washington Utilities and Transportation Commission or the Washington Energy Facility Site Evaluation Council.

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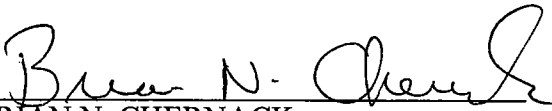
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24. I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 21st day of September, 2005.

By 
BRIAN N. CHERNACK
President
Sea Breeze Pacific Regional Transmission
System, Inc.