



Douglas J. Law
Associate General Counsel
Douglas.Law@blackhillscorp.com

1731 Windhoek Drive
Lincoln, NE 68512
P: 402.221.2635

December 1, 2022

Ret. Colonel Thomas Golden
Executive Director
Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

Re: *Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy*
Uncontested Application for Extension of Service
Commission Application No. P-O-_____

Dear Ret. Col. Golden:

Enclosed for filing is an Uncontested Application for Extension of Service filed on behalf of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law, Bar #19436
Associate General Counsel

DL:ce

cc: psc.naturalgas@nebraska.gov
Robert Amdor
Tyler Frost
Kevin Jarosz

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF BLACK HILLS
NEBRASKA GAS, LLC d/b/a BLACK
HILLS ENERGY PROVIDING NOTICE
REQUIRED BY NEB. REV. STAT. §
66-1863, AS AMENDED, THAT IT
INTENDS TO EXTEND OR ENLARGE
ITS SERVICE AREA OR EXTEND A
GAS MAIN.

APPLICATION No. P-12.33

UNCONTESTED APPLICATION FOR EXTENSION OF SERVICE

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy (“Black Hills Energy”) applies to the Nebraska Public Service Commission (the “Commission”) pursuant to *Neb. Rev. Stat. § 66-1863 et. seq.* and Commission Regulations 291 Neb. Admin. Code, Chapter 9, Rule 003 for approval of the following Black Hills Energy’s gas distribution system extensions:

(a) uncontested temporary natural gas service currently being provided through various natural gas service lines as explained more fully below to various Facebook data facilities located on Facebook property south of Capehart Road and West of Highway 50 in Sarpy County, Nebraska. After construction of the Facebook buildings is completed, natural gas service through the temporary gas service will be terminated and the temporary gas line will be abandoned-in-place; and

(b) uncontested proposed permanent natural gas service through a new 6” natural gas main and 1” service line facility extension to Facebook’s Phase 2 development, also known as Project Gemini, for natural gas to a Facebook office

building located on property south of Capehart Road and West of Highway 50 in Sarpy, County, Nebraska (“Facebook Office Building”). Black Hills Energy contends that the extension of its gas distribution service lines is in the public interest for both of these Facebook service requests.

In support of its application, Black Hills Energy states as follows:

1. Facebook had previously requested temporary natural gas service from Black Hills Energy to provide natural gas during Facebook’s construction of various data facilities located in Sarpy County, Nebraska. See Exhibit A.

2. More recently, Facebook requested permanent natural gas service from Black Hills Energy to provide natural gas service for the Facebook Office Building, including a Security Guard station, that Facebook intends to construct on Facebook’s property South of Capehart Road and West of Highway 50 in Sarpy, County, Nebraska. See Exhibit B.

3. MUD possesses a municipal franchise from the City of Springfield, Nebraska. However, after Black Hills Energy notified MUD regarding the temporary Facebook construction service request, MUD informed Black Hills Energy via email on March 3, 2021 that MUD has no infrastructure in place to provide temporary natural gas service for Facebook during the construction of Facebook’s data facilities. MUD representatives stated that MUD does not intend on providing temporary service to Facebook for construction of Facebook data facilities. MUD did state that in the future, if Facebook sought permanent service to those facilities, and if MUD had infrastructure in that area, that MUD would

make its intentions regarding permanent service known at that time.¹ See Exhibit C.

4. Black Hills Energy provided the Metropolitan Utilities District (“MUD”) with notification about Facebook’s request for Black Hills Energy to provide permanent gas service to the Facebook Office Building. MUD informed Black Hills Energy by letter dated May 17, 2022, that MUD agrees Black Hills may provide permanent natural gas service to the Facebook Office Building (“MUD May 17th Letter”). See Exhibit D.²

5. Neither the temporary or permanent Black Hills Energy natural gas lines nor the new Facebook Office Building are currently located inside the city limits or extraterritorial jurisdiction of any Nebraska municipality. See Exhibit E showing the corporate boundaries of Springfield.

6. Black Hills Energy serves the City of Papillion, Nebraska, and its extraterritorial jurisdiction under a current and valid natural gas franchise. Black Hills Energy currently has a natural gas main located in Capehart Road and installed a temporary gas line providing service to various Facebook buildings.³ See Exhibit A.

¹ Black Hills Energy assumes that MUD would first seek Commission approval prior to construction and installation of any facility in that area pursuant to the requirements of Commission regulations. *291 Neb. Admin. Ch. 9, Rule 003 et seq.*

² MUD presents a variety of explanations and other rationale within the MUD May 17th Letter that appears to be inconsistent with the Commission’s Order issued on June 29, 2021 in Commission Application No. P-12.32. However, those statements are not germane to this application as MUD ultimately does not oppose the service proposed herein.

³ Black Hills Energy installed the initial temporary gas line under the good faith belief that such action was in the public interest and that no prior Commission approval was needed at that time as MUD did not contest the proposed extension. Black Hills Energy now fully understands that prior Commission approval should be obtained.

7. Black Hills Energy anticipates that construction and installation of temporary natural gas service lines for additional Facebook data storage buildings will commence immediately after completion of the permanent line to the Facebook Office Building. Construction for the uncontested temporary service lines began at the end of November 2022 and the lines are scheduled to be in service by the end of December 2022. The proposed temporary service lines to temporary buildings 1, 2 and 3 is a four-inch line and is completed up to Facebook building 1 at this time (979 feet). There will be approximately an additional 300' of this temporary gas line to reach Facebook buildings 2 and 3. The four-inch temporary service line to Facebook building 1 is 185 feet and there is currently gas usage on this line. The service lines for temporary service line 2 and temporary service line 3 will be completed in December, 2022 and are estimated to be 200 feet long for each service. Additional temporary lines 4, 5 and 6 may be installed next year as well, once Facebook informs Black Hills Energy of the location and timing of the temporary natural gas service it will require.

8. Black Hills Energy's installation of the uncontested permanent natural gas service line to the Facebook Office Building commenced near the end of November, 2022 and the permanent service line will be placed in service by the end of 2022. The proposed Facebook Office Building service line will tap into a 6 inch main to be extended approximately 1,150 feet and will consist of a

service line 1-inch in diameter and approximately 900 feet in length from Black Hills Energy's existing natural gas main. See Exhibit B.⁴

9. A map depicting known existing infrastructure and the proposed location of Facebook's Office Building in comparison to BHE's existing facilities in that area is attached to this application as Exhibits B and G.

10. The extension of Black Hills Energy's gas distribution system for both the temporary construction of Facebook data facilities and the Facebook Office Building is economically feasible. Facebook is funding the costs of these extensions. No subsidization is needed from other Black Hills Energy customers for either of these incremental natural gas service extensions.

11. The extension of Black Hills Energy's gas distribution system for both the temporary construction of Facebook data facilities and the permanent Facebook Office Building contributes to the orderly development of natural gas utility infrastructure. Black Hills Energy has a gas main in the area. MUD acknowledged on two separate occasions that it currently does not have infrastructure in that area to provide the services requested by Facebook. In addition, if the City of Papillion expands into its extraterritorial zoning jurisdiction, Black Hills Energy will be the service provider to those customers. A map depicting the zoning jurisdiction is attached as Exhibits F and G.

⁴ Black Hills Energy understands that construction should not occur until the Commission's review and approval of distribution extension applications is completed. However, in this case Black Hills Energy's application was delayed in part due to finalizing the construction planning and length and size of pipeline required for the Facebook facilities.

12. The extension of Black Hills Energy's gas distribution system for both the temporary construction of Facebook data facilities and the Security Guard Station will not result in duplicative or redundant natural gas utility infrastructure. MUD does not have currently have any infrastructure in that area. Any future MUD expansion or its gas distribution system is not a part of this application.

13. The extension of Black Hills Energy's gas distribution system for both the temporary construction of Facebook data facilities and the Facebook Office Building is applied in a non-discriminatory manner.

14. The extension of Black Hills Energy's gas distribution system for both (a) the temporary construction of Facebook data facilities and (b) the Facebook Office Building do not require the production of books, records, vouchers, or other items require by Commission Rule 003.007F⁵ as MUD has already indicated that MUD does not contest Black Hills Energy's extension of either the temporary Facebook construction service line or the permanent Security Guard Station service line.⁶

15. The Exhibits supporting this application are as follows:

Exhibit A – Map showing proposed extension of temporary lines

Exhibit B – Map showing proposed extension of permanent line

Exhibit C – Black Hills Energy notification of proposed extensions to MUD

⁵ 291 Neb. Admin. Ch.9, Rule 003.007F.

⁶ As noted above, MUD's email communication to Black Hills Energy and MUD's May 17th Letter both state that MUD reserves it rights to contest future permanent gas service extensions.

Exhibit D – MUD May 17th response regarding Facebook extension

Exhibit E – Corporate Boundaries of Springfield and Papillion

Exhibit F – Facebook – Project Map

Exhibit G – Black Hills Energy and MUD Boundary and Facilities

WHEREFORE, Black Hills Energy prays for an order determining that the proposed extension by Black Hills Energy for the temporary gas lines for construction of Facebook data buildings and for a permanent gas line to the Facebook Office Building is in the public interest.

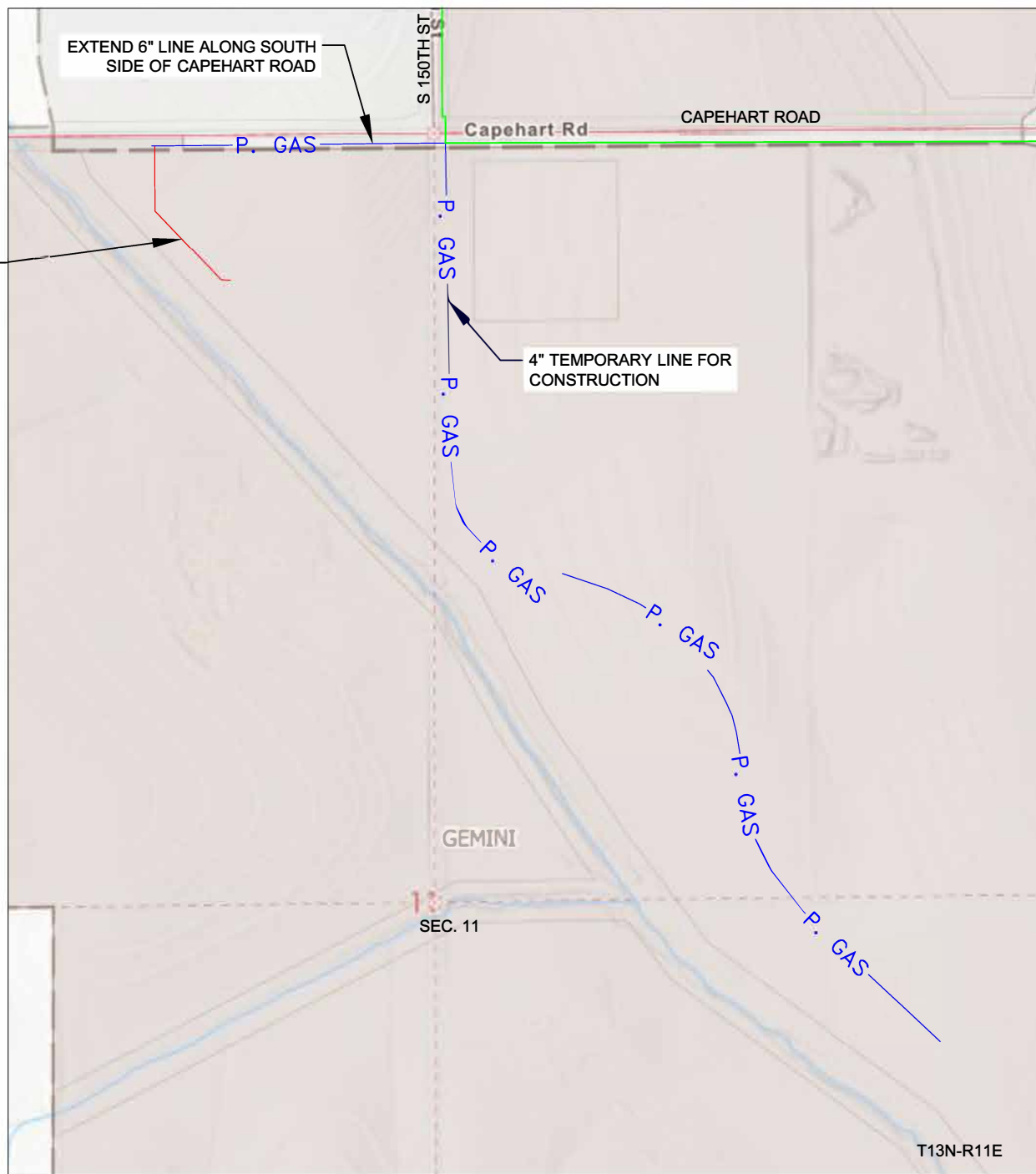
Respectfully submitted this 1st day of December, 2022.

BLACK HILLS NEBRASKA GAS, LLC
d/b/a BLACK HILLS ENERGY,

By: /s/ *Douglas J. Law*
Douglas J. Law, #19436
Associate General Counsel
Black Hills Energy
1731 Windhoek Drive
Lincoln, NE 68512
Phone: (402) 221-2635
douglas.law@blackhillscorp.com

- LEGEND**
- EXISTING BHE LINES
 - P. GAS PROPOSED TEMPORARY BHE LINES
 - P. GAS PROPOSED PERMANENT BHE LINES

PERMANENT 1" SERVICE LINE TO SECURITY GUARD STATION



LOCATION VIEW
EXHIBIT A






Engineering Services
2287 College Road
Council Bluffs, IA
51502

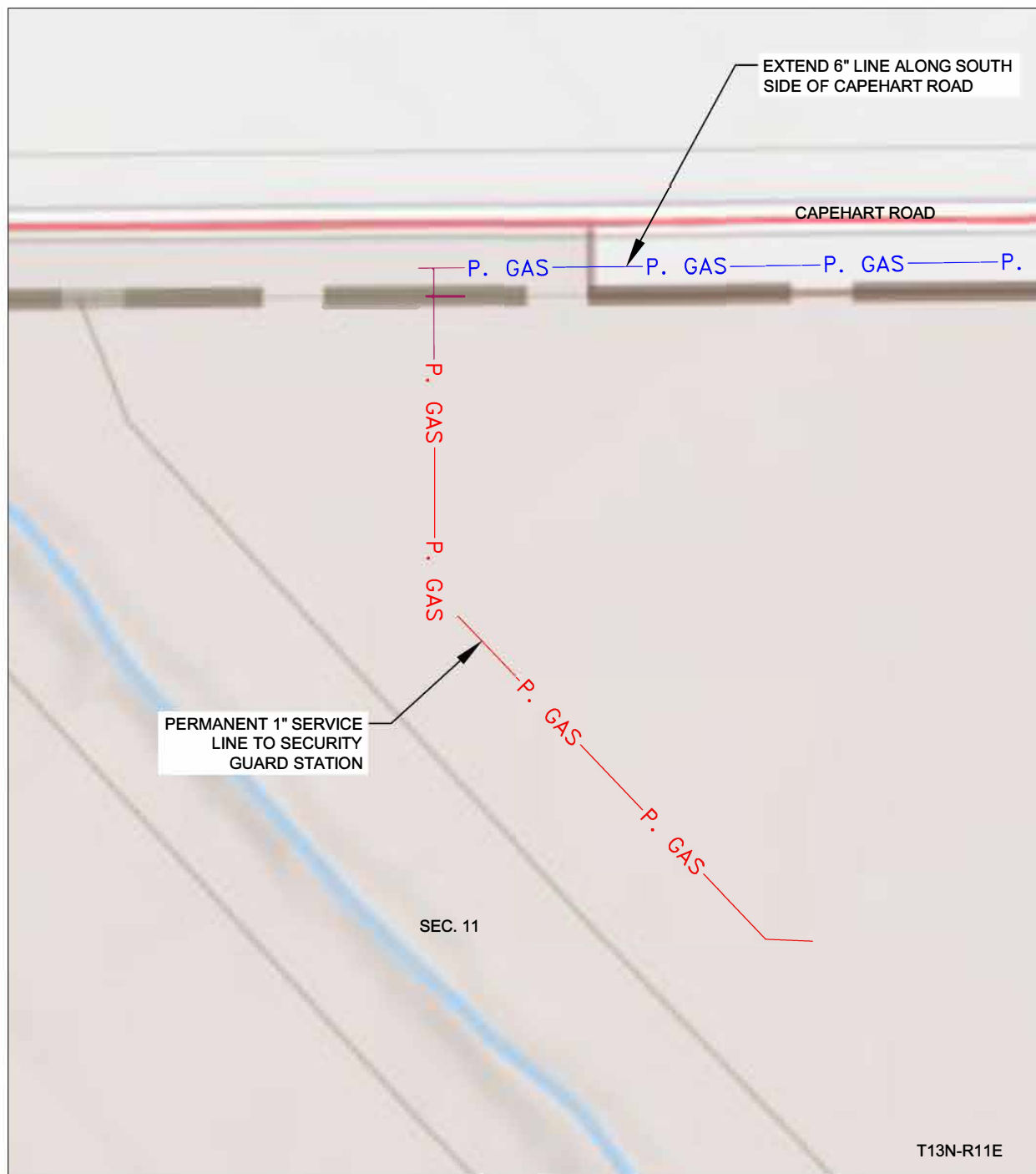
OWNER: J. KOLLARS
SCALE: NONE
DRAWING NUMBER: NE159-2022-L003

DATE	2022 CONSTRUCTION
08/14/22	CONSTRUCTION
CHECKED	PRELIM
K.M.	NO
DESIGNER	FINAL

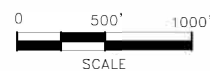
EXHIBIT A

BHE FACILITIES FOR FACEBOOK CONSTRUCTION
SPRINGFIELD, NE SARPY COUNTY

- LEGEND**
-  EXISTING BHE LINES
 -  P. GAS PROPOSED TEMPORARY BHE LINES
 -  P. GAS PROPOSED PERMANENT BHE LINES



LOCATION VIEW
EXHIBIT B



T13N-R11E

BHE FACILITIES FOR FACEBOOK CONSTRUCTION
SPRINGFIELD, NE SARPY COUNTY

DATE	8/14/22	2022 CONSTRUCTION	DATE	8/14/22
DESIGNED BY	J. KOLLARS	CHECKED	K.M.	PRELIM
SCALE	NONE	DRAWING NUMBER	NE189-2022-L003	EXHIBIT B

Engineering Services
2287 College Road
Council Bluffs, IA
51502



From: [Nordell, Don](#)
To: [Jarosz, Kevin](#); [Law, Douglas](#)
Subject: FW: Project Gemini - Facebook
Date: Wednesday, May 18, 2022 7:18:17 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[Nordell Don - 05-17-22.pdf](#)

Doug,

Can you let me know where this documentation should be filed for future reference. Thank you.

Don

From: Stanek, Jason <Jason_Stanek@mudnebr.com>
Sent: Tuesday, May 17, 2022 3:18 PM
To: Nordell, Don <Don.Nordell@blackhillscorp.com>
Subject: RE: Project Gemini - Facebook

**** EXTERNAL EMAIL. Is this an expected email? STOP and THINK before clicking links or opening attachments. ****

Don, see attached letter. For your files in case it ever comes up.

Let me know if you have time to grab coffee some morning and catch up. I've got a new guy who is replacing Kyle Bowman as our CNG point person. Just trying to introduce him around and also maybe see if Black Hills is having any success in the CNG area. Hydrogen seems to be the buzz word these days.

Take care,

Jason Stanek, PE

Director, Marketing & Builder Services

D: [402-504-7983](tel:402-504-7983)

C: [402-973-2773](tel:402-973-2773)



From: Nordell, Don <Don.Nordell@blackhillscorp.com>

Sent: Tuesday, May 17, 2022 8:11 AM
To: Stanek, Jason <Jason.Stanek@mudnebr.com>
Subject: *EXTERNAL* RE: Project Gemini - Facebook

CAUTION: This email originated from outside the District. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Jason,

I appreciate your response and we will plan accordingly for this project. Thank you,

Don Nordell | Sr Operations Manager | Black Hills Energy | Office: 402-935-4895 | Cell: 402-430-6248

From: Stanek, Jason <Jason.Stanek@mudnebr.com>
Sent: Tuesday, May 17, 2022 8:07 AM
To: Nordell, Don <Don.Nordell@blackhillscorp.com>
Subject: RE: Project Gemini - Facebook

**** EXTERNAL EMAIL. Is this an expected email? STOP and THINK before clicking links or opening attachments. ****

Don, sorry for the delay in following up and getting this one wrapped up. I finally got an OK from my side that Black Hills can provide permanent gas service to this Facebook building. I've been working with Turner Construction on water service and asked them about this and was told the gas is for a guard house building. MUD does have plans to extend a main east on Fairview from our TBS to provide backup support to our Springfield system, but that is likely a couple of years away still, so providing service to this building on the Facebook property is not feasible at this time. Our General Counsel is writing something up indicating we are okay for Black Hills to provide service. Once I get that document, I will send it over to you, but you can proceed with permanent service installation.

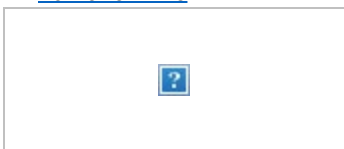
Thanks,

Jason Stanek, PE

Director, Marketing & Builder Services

D: 402-504-7983

C: 402-973-2773



From: Nordell, Don <Don.Nordell@blackhillscorp.com>
Sent: Thursday, April 21, 2022 9:51 AM
To: Stanek, Jason <Jason_Stanek@mudnebr.com>
Subject: *EXTERNAL* RE: Project Gemini - Facebook

CAUTION: This email originated from outside the District. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Jason,

It is my understanding that Facebook will have one building, located at 150th & Capehart Road, that will need permanent gas service. It will have two rooftop units and one water heater. Total connected load of 950,000 BTU's. All the other data centers will only need temporary service. Do you want to reconsider running service to the area or would you prefer to have BHE serve this permanent load?

*Don Nordell | Sr Operations Manager | Black Hills Energy | Office: 402-935-4895 |
Cell: 402-430-6248*

From: Stanek, Jason <Jason_Stanek@mudnebr.com>
Sent: Wednesday, March 3, 2021 12:48 PM
To: Nordell, Don <Don.Nordell@blackhillscorp.com>
Subject: Project Gemini

**** EXTERNAL EMAIL. Is this an expected email? STOP and THINK before clicking links or opening attachments. ****

Don, good speaking with you yesterday. Per our conversation, MUD will not provide construction gas for the Project Gemini site at the southwest corner of 144th & Capehart Road. I will have Kyle Bowman follow up with the contractor and provide your contact information for construction gas service to the site. I believe they are anticipating needing service this fall and MUD has no infrastructure in place to provide service. In the future, if the site requires permanent gas service and MUD has infrastructure in place, then we would assume service to the parcel at that time. Let me know if this sounds agreeable.

Thanks

Jason Stanek, PE
Director, Marketing & Contractor Services
Metropolitan Utilities District
Phone: (402) 504-7983

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NPSC Received 12/01/22

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**METROPOLITAN UTILITIES DISTRICT
7350 WORLD COMMUNICATIONS DRIVE
OMAHA, NEBRASKA 68122-4041**

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ATTORNEY
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F – 402-504-5241
JOSEPH_KEHM@MUDNEBR.COM

May 17, 2022

Don Nordell
Senior Operations Manager
Black Hills Energy
1102 East 1st Street
Papillion, NE 68124

RE: Natural Gas Service to Facebook Phase 2

Mr. Nordell,

The purpose of this letter is to provide Black Hills Energy (“Black Hills”) with notice that the Metropolitan Utilities District of Omaha (“District”) will agree to allow Black Hills to provide permanent natural gas service to a proposed guard shack to be constructed as part of the Facebook Phase 2 development.

Facebook’s Phase 2 development, also known as Project Gemini, is being planned for land South of Capehart Road and West of Highway 50 in Sarpy County, Nebraska. This area is within the District’s territory as agreed upon by Black Hills and the District and approved by the Nebraska Public Service Commission (“NPSC”). That agreement is documented in Joint Application #P-0014 submitted to the NPSC on April 19, 2010.

As part of Joint Application #P-0014, both Black Hills and the District requested that their service areas be extended in accordance with the “Maps of Service Area” submitted as Exhibit A to the Joint Application and the “Conditions Applicable to Service Areas” set forth in Exhibit B. The “Maps of Service Area” submitted as Exhibit A of Joint Application #P-0014 clearly show that the area in question to be within the District’s service area. The service area for Black Hills clearly ends at Capehart Road to the north.

The “Conditions Applicable to Service Areas” set forth as Exhibit B of Joint Application #P-0014 clearly state, “Neither Black Hills/Nebraska Gas Utility Company, LLC nor the Metropolitan Utilities District of Omaha will maintain gas facilities within the other’s service area as described in the Map set forth on Exhibit A” unless one of four enumerated exceptions apply.

The purpose of the boundary agreement was to prevent constant and ongoing service area disputes between Black Hills and the District. The District is aware that Black Hills currently has a natural gas main in Capehart Road and that it has the present ability to provide natural gas service to the proposed guard shack within Facebook's Phase 2 development. The District hereby agrees to allow Black Hills to engage in discussions with Facebook for the purpose of providing natural gas service to that proposed guard shack. The District further agrees to not object should Black Hills connect a natural gas service line to the gas main in Capehart Road to provide natural gas service to the proposed guard shack.

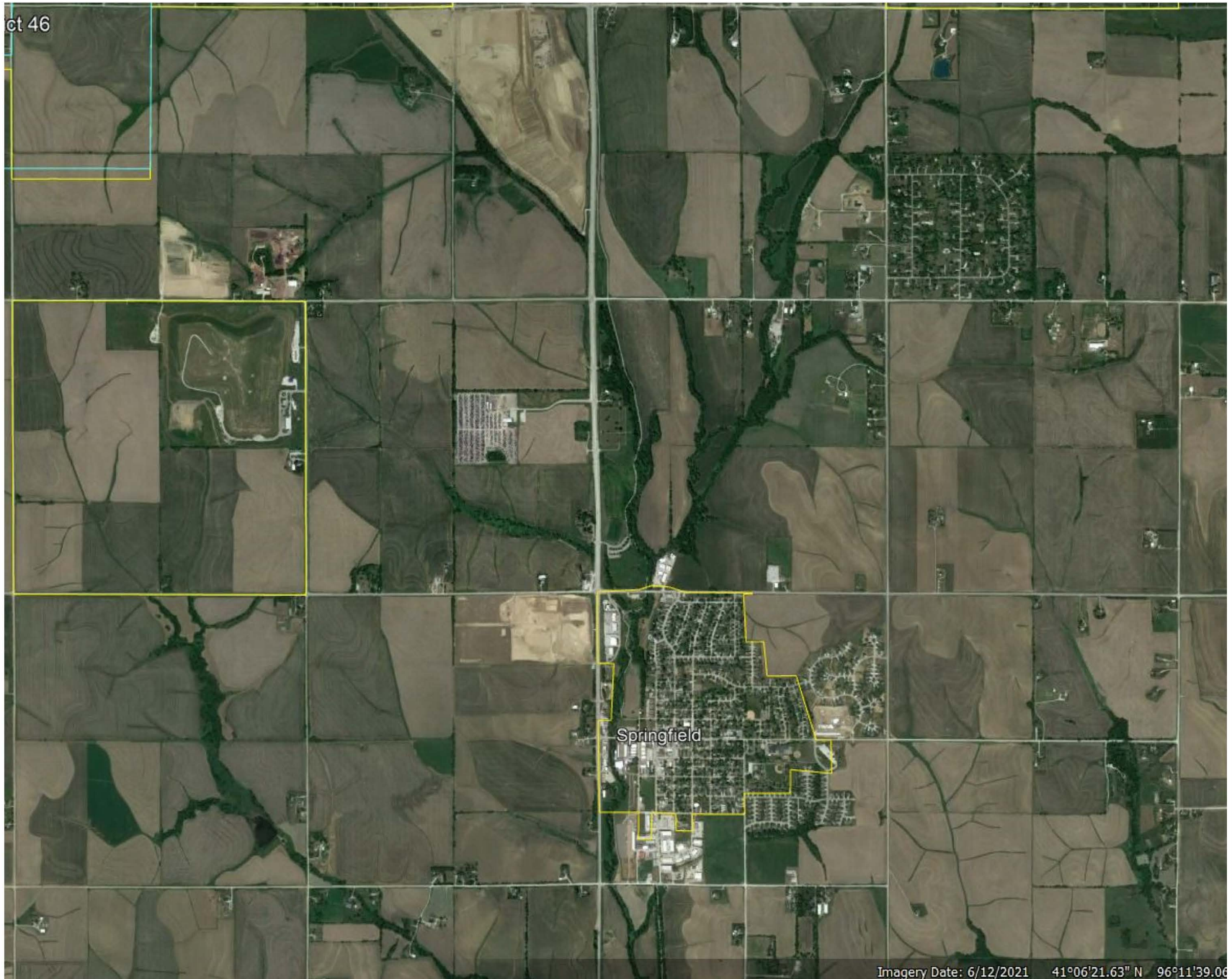
The District reserves all rights pursuant to the P-0014 Agreement and explicitly provides this letter as an exception to the Map of the Service Area. The District does not waive or agree to any other amendment to the Map of the Service Area and further reserves the right to revisit this exception should Facebook or any other party require natural gas service other than for the proposed guard shack.

As a courtesy to the NPSC, a copy of this letter will be provided to it.

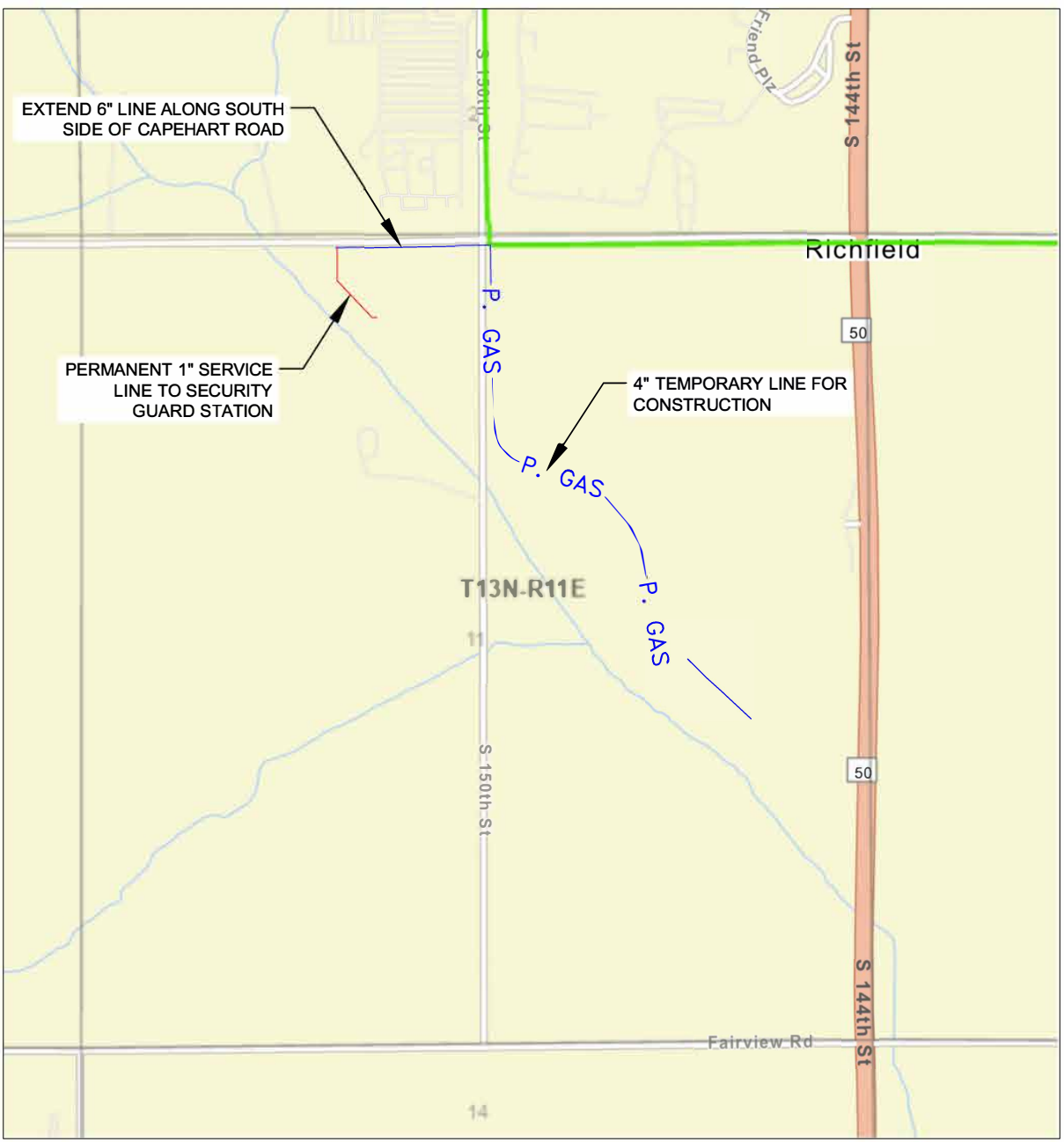


Mark Mendenhall
Senior Vice President, General Counsel
Metropolitan Utilities District of Omaha

cc: Public Service Commission



- LEGEND**
- EXISTING BHE LINES
 - P. GAS PROPOSED TEMPORARY BHE LINES
 - P. GAS PROPOSED PERMANENT BHE LINES



LOCATION VIEW



**BHE FACILITIES FOR FACEBOOK CONSTRUCTION
 SPRINGFIELD, NE SARPY COUNTY**

DATE	8/14/22	2022 CONSTRUCTION
CHECKED	K.M.	PREL. ID
SCALE	NONE	FINAL
DRAWING NUMBER	NE189-2022-L003	PROJECT NUMBER
DESIGNED BY	J. KOLLARS	DATE

Engineering Services
 2287 College Road
 Council Bluffs, IA
 51502





MUD / BHE Proposed Boundary Comparison

