

METROPOLITAN UTILITIES DISTRICT

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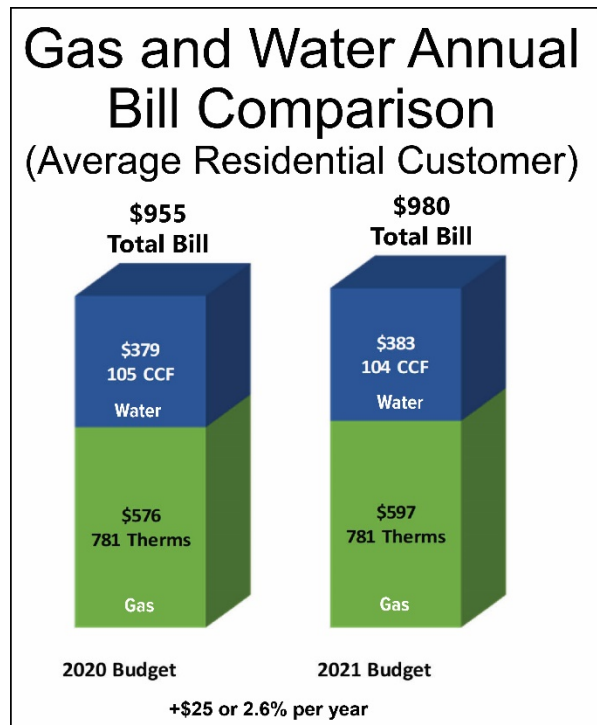
Metropolitan Utilities District board approves 2021 budget

December 3, 2020 Omaha, Neb.— The Metropolitan Utilities District (M.U.D.) board today approved a 2021 budget with an increase to water rates that will result in a 1% annual increase to the average residential bill as compared with 2020 budget assumptions. Due to concern over the financial hardship being experienced by many of our customers resulting from the coronavirus pandemic, the effective date of the water rate increase will be deferred until May 2, 2021. Though there is no increase to natural gas rates, anticipated increases to the underlying cost of natural gas, which is a direct pass-through to our customers, coupled with debt carrying costs associated with a planned bond offering to finance significant enhancements to our Liquefied Natural Gas plant, will result in a 3.6% annual increase to the average residential bill. The water bill for the average residential customer will increase to \$383 based on usage of 104 CCF, while the average residential gas bill will increase to \$597 based on usage of 781 therms.

The District estimates 2021 revenues of \$208.6 million for the Gas Department and \$140 million for the Water Department. The revenues, combined with the spend-down of cash reserves, will be used to fund the District's operating expenses, gas purchases and debt service costs. Funding for capital improvements and critical infrastructure replacement will be supplemented by the planned issuance of revenue bonds.

"We strive to find a balance between rate design and operational efficiencies while ensuring that we provide safe, reliable and cost-effective service to our customers," said M.U.D. President Mark Doyle. "It also is critical that the District continues to responsibly invest in infrastructure replacement to ensure the reliability of our gas and water distribution systems."

As compared to 39 other U.S. utilities that participated in the 2020 Memphis Light, Gas and Water Survey, the District ranked fourth lowest in cost for residential gas bills and 18th lowest for residential water bills.



The District's affordability ranking in 2021 should be minimally impacted, in light of the fact that infrastructure replacement funding needs are being addressed by other utilities throughout the nation.

"In addition, the District has been responsive to the financial hardships faced by some of our customers due to the coronavirus pandemic," said Chief Financial Officer Joseph Schaffart. "We suspended service disconnections and late payment charges for a period of time, as well as helped customers tap into utility assistance funds through the federal and state CARES Act and the District's own Home Fund program. The deferral of the water rate increase until May 2 is further evidence of our concern for pandemic-related financial hardships." More information is available at mudomaha.com/covid19relief.

In October 2020, Moody's Investors Service completed a credit surveillance analysis of M.U.D.'s Gas and Water Departments and affirmed the "Aa2" credit rating. In 2019, S&P Global Ratings upgraded the District's gas system credit rating to "AA+," making M.U.D.'s gas system the highest rated municipal gas system of those to which S&P assigns credit ratings.

M.U.D. is one of the few water utilities to operate a system with three water plants, which significantly enhances reliability and the ability for the communities served by the District to grow. Throughout the coronavirus pandemic, the District continues to provide safe, reliable gas and water services to the community.

Gas and water bill summary:

- Gas usage for the average residential customer is budgeted at 781 therms in 2021, the same as in 2020.
- An average residential gas customer will see a projected increase of \$1.74 a month or about \$21 a year.
- Water use for the 2021 average residential customer is budgeted at 104 CCF (77,792 gallons), compared to 105 CCF (78,540 gallons) in 2020.
- A customer with a 5/8-inch water meter will see a projected water bill increase of about \$3.62 a year, with the increase taking effect in May.
- An average residential gas and water customer will see a projected increase of about \$25 annually, a 2.6% increase to the combined gas and water bill.

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About Metropolitan Utilities District: The mission of the Metropolitan Utilities District, headquartered in Omaha, Nebraska, is to provide safe, reliable and cost-effective natural gas and water services to our community. The District is the fifth largest public natural gas utility in the United States, serving more than 232,000 customer-owners in Omaha, Bennington, Fort Calhoun, Springfield, Yutan and Bellevue. The District also provides safe, high quality drinking water to more than 218,000 customer-owners in Omaha, Bellevue, Bennington, Carter Lake, La Vista, Ralston, Waterloo and the Papio-Missouri Natural Resources District (which supplies water to Fort Calhoun). M.U.D.'s drinking water meets or exceeds all state and federal standards. For more information, visit www.mudomaha.com.