

Press Release

M.U.D. statement in response to Nebraska State Fire Marshal report

December 22, 2016, Omaha, Neb.— The Metropolitan Utilities District ("District") received on December 22, 2016, the Nebraska State Fire Marshal investigative report ("Report") relating to the January 9, 2016 fire ("Fire"). Although the District has not had an opportunity to review the entire Report in detail, the District takes issue with the conclusions and findings set forth in the Report.

To date, the District has not had the opportunity to participate in the pending litigation arising out of the Fire, as a result of timing issues associated with the Nebraska Political Subdivisions Tort Claims Act. It is anticipated that the District will shortly become a party to that litigation at which time discovery of the true facts associated with the Fire will become known.

District personnel responded appropriately to all locate requests and the underground gas service line to 422 South 11th Street was clearly marked prior to the Fire. The disclosure of these important facts will evolve through the litigation process. The District looks forward to the opportunity to present the true facts leading up to the Fire to the finder of fact.

In a letter dated June 23, 2016, the District was given a Notice of Probable Violation by the State Fire Marshal. On August 12, 2016, the State Fire Marshal submitted a revised Notice of Probable Violation to the District. A copy of this revised notice is attached.

On August 26, 2016, the District submitted its response to the revised Notice of Probable Violation, through its outside counsel. The District's response detailed how the State Fire Marshal's revised findings were arbitrary, capricious, and unsupported in fact. A copy of the District's response is attached.

Following the receipt of the District's August 26, 2016 response, the State Fire Marshal never contacted the District or attempted to interview additional personnel regarding its investigation. Nor did any representative of the State Fire Marshal participate in the October 19, 2016 joint inspection—to which the State Fire Marshal was invited—when the concrete slabs removed from the sidewalk in front of 422 South 11th Street were examined and still clearly showed the District's gas service line locating marks.

After submitting its August 26, 2016 response, the District heard nothing from the State Fire Marshal until December 22, 2016, when a copy of the report was provided to the District and media for the first time.

End of press release

About Metropolitan Utilities District of Omaha

M.U.D. provides safe, reliable, and cost-effective natural gas and water services to our community. We serve safe drinking water to 208,256 customers in the metropolitan Omaha area and maintain nearly 27,000 hydrants for fire protection. As the fifth largest public gas utility in the United States, we also serve natural gas to 224,950 customers. We are a public utility and proud to be customer-owned. The District is governed by a board of seven directors, elected by our customer-owners. Visit www.mudomaha.com for more information.

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