

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: HORIZON ETHANOL, LLC	DOCKET NO. P-862
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PIPELINE PERMIT

(Issued December 13, 2005)

Permit No. 1219 Lateral Jewell

Permission is granted to Horizon Ethanol, LLC (Horizon), Jewell, Iowa, to construct, operate, and maintain a pipeline in Story and Hamilton Counties, Iowa, for the transportation of natural gas at a maximum allowable operating pressure of 720 psig for approximately 10 miles over the route attached to and incorporated by reference in this permit.

Permit No. 1219 is granted subject to the provisions of Iowa Code Chapter 479 (2005), 199 Iowa Administrative Code Chapters 9 and 10, and the December 6, 2005, "Proposed Decision and Order Granting Permit" issued in this docket.

Although construction of the proposed pipeline may commence once the Board issues Permit No. 1219, Horizon may not begin operating the pipeline until:

- a. It files satisfactory assurance with the Board that it has filed necessary information regarding the pipeline with Iowa One Call;

b. It files satisfactory assurance with the Board that it will complete a written continuing public education program that conforms to 49 C.F.R. §192.616 within one year of placement of the pipeline into service;

c. It finalizes arrangements to use appropriately trained local personnel and/or contractors to provide emergency response in the event of a line break or other emergency and qualified local personnel and/or contractors to provide leak investigation services and files appropriate documentation regarding the arrangements with the Board;

d. It evaluates the pipeline to determine whether a pipeline integrity management program is required and prepares such a program if required in conformance with applicable requirements at 49 C.F.R. Part 192, Subpart O, as adopted by reference at 199 IAC 10.12(1), and files satisfactory assurance it has done so with the Board;

e. It files a Drug and Alcohol Plan that conforms to applicable requirements at 49 C.F.R. Part 199 with the Board;

f. Personnel who are qualified under applicable federal pipeline safety standards at 49 C.F.R. Part 192, including local personnel, must be available for the operation and maintenance of the pipeline.

The December 6, 2005, Order also set forth an additional permit condition to assure the pipeline will be operated and maintained in conformance with applicable requirements. If Horizon and Montana-Dakota do not continue their contractual relationship or significantly modify their contractual relationship, Horizon must notify

DOCKET NO. P-862
PAGE 3

the Board at least 30 days prior to discontinuance or modification of the contract and explain how it will comply with applicable state and federal requirements regarding the pipeline contained in Iowa Code Chapter 479, 199 IAC 10.12, and 49 C.F.R. Parts 192 and 199.

Permit No. 1219 shall be effective until December 13, 2030 unless revoked, terminated, or amended by the Utilities Board.

UTILITIES BOARD

/s/ John R. Norris
Chairman

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 13th day of December, 2005.

Exhibit A – Legal Descriptions - Revised

The majority of the pipeline route traverses across private property, with the exception of public right-of-way crossings and approximately ¼ of a mile (approximately 3,960 feet) that will be inside the road right-of-way along the west side of Queens Avenue as discussed below. The pipeline crosses one State Highway (175) which will be crossed at an approximate right angle. The easements that have been acquired from landowners are generally 50 feet wide, with an additional 15 feet of temporary workspace to ensure an adequate working area during construction.

Hamilton County

The pipeline originates at the Horizon Ethanol Plant in the Southeast Quarter of the Southeast Quarter of Section 20, T87N, R24W of the 5th Prime Meridian, Hamilton County, Iowa and crosses the public right-of-way of 320th Street.

The Horizon Pipeline will proceed South through private property in the Northeast Quarter and the Southeast Quarter of said Section 29, T87N, R24W and crosses the public right-of-way of 330th Street;

continuing South through private property in the Northeast Quarter and Southeast Quarter of Section 32, T87N, R24W and crosses the public right-of-way of 340th Street;

continuing South through private property in the Northeast Quarter and Southeast Quarter of Section 5, T86N, R24W and crosses the public right-of-way of Highway 175;

continuing South along the west side of Queens Avenue, in private property through the Northeast Quarter and Southeast Quarter of Section 8, T86N, R24W and crosses the public right-of-way of 360th Street;

continuing South through private property in the Northeast Quarter and Southeast Quarter of Section 17, T86N, R24W and crosses the public right-of-way of 370th Street;

continuing South through private property in the Northeast Quarter and Southeast Quarter of Section 20, T86N, R24W and crosses the public right-of-way of 380th Street;

continuing South through private property in the Northeast Quarter of Section 29, T86N, R24W;

continuing through public property inside the road right-of-way of Queens Avenue, in the Southeast Quarter of Section 29, T86N, R24W and crosses the public right-of-way of 390th Street;

continuing South through public property inside the road right-of-way of Queens Avenue, in the Northeast Quarter of the Northeast Quarter of Section 32, T86N, R24W;

continuing through private property through the Southeast Quarter of the Northeast Quarter and Southeast Quarter of Section 32, T86N, R24W and crosses the public right-of-way of 400th / 100th Street;

Story County

continuing South through private property in the Northeast Quarter and Southeast Quarter of Section 5, T85N, R24W and crosses the public right-of-way of 110th Street;

continuing South through private property in the Northeast Quarter and part of the Southeast Quarter of Section 8, T85N, R24W to the Northern Natural Gas pipeline interconnect location.