



SO ORDERED.

SIGNED this 14 day of October, 2008.

Dale L. Somers

Dale L. Somers
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF KANSAS**

In re:)	In Proceedings Under Chapter 11
)	
GATEWAY ETHANOL, L.L.C.,)	Case No. 08-22579-DLS
)	
Debtor.)	

**ORDER ON DEBTOR’S EMERGENCY MOTION FOR ORDER
APPROVING METHOD OF FURNISHING ADEQUATE ASSURANCE
OF PAYMENT FOR POSTPETITION UTILITY SERVICES**

Now on this 7th day of October, 2008, this matter having come before the Court upon Debtor’s Emergency Motion for Order Approving Debtor’s Method of Furnishing Adequate Assurance of Payment for Postpetition Utility Services (the “Motion”), and the Court having considered the issue, the Response of Ninnescah Rural Electric Cooperative Assn., Inc. to the Emergency Motion for Order Approving Debtor’s Method of Furnishing Adequate Assurance of Payment for Post-Petition Utility Service [docket no. 27], the Cross-Motion for Adequate Assurance Performance Under 11 U.S.C. §366 filed by Ninnescah Rural Electric Cooperative Assn., Inc. [docket no. 28], the evidence, the arguments of counsel, Debtor’s modification of the Motion as stated on the record at the hearing, and for good cause shown, it appearing that the Motion is in the best interest of the estate, and it further appearing the following terms of this Order constitute adequate assurance pursuant to 11 U.S.C. § 366, and that notice of the Motion has been appropriate,

IT IS HEREBY ORDERED that:

(a) Debtor's proposal to its utility companies contained herein constitutes adequate assurance of payment pursuant to 11 U.S.C. § 366(b), subject to modification by subsequent Court Order, as set forth herein;

(b) Debtor shall provide a cash deposit to each utility company listed on Exhibit A attached to the Motion, with the exception of Ninnescah Rural Electric Cooperative Assn., Inc. ("Ninnescah Electric"), equivalent to a two months average bill;

(c) Debtor shall provide an additional cash deposit to Ninnescah Electric in the amount of \$8,000.00 on or before October 24, 2008;

(d) Debtor shall timely pay for all post-petition utility services pursuant to the terms of the invoices and billing statements generated by the utility companies in the ordinary course of business and any outstanding invoice for utility service incurred in the ordinary course for the pre-petition billing period immediately preceding the filing of the case which may be outstanding;

(e) In the event that Debtor fails to timely pay for post-petition utility service per an invoice, Debtor shall have a ten (10)-day period to cure such nonpayment, which ten (10)-day period shall begin to run from the date of the notice of nonpayment from the utility company;

(f) Should Debtor fail to pay the invoice within the ten (10)-day time period after receipt of notice of default, the utility company shall be entitled to alter, refuse or discontinue service, without further Court order or notice to Debtor;

(g) To the extent that a utility company provides post-petition services that are unpaid, such utility company shall be entitled to an administrative claim, pursuant to 11 U.S.C. §§ 503(b)(1) and 507(a)(2), payable upon confirmation of a plan of reorganization, or pari passu with other 11 U.S.C. § 503(b)(1) administrative claimants, or such earlier date as determined by the Court upon separate motion of any utility company. Further, existing deposits held by Debtor's utility providers may be offset against any past-due pre-petition or post-petition invoice without necessity of court order or prior notice to creditors;

(h) Any and all deposits that were in place on the Petition Date shall remain in place and shall continue to be held by the respective utility company;

(i) Any utility company, with the exception of Ninnescah Electric so long as the ethanol plant remains non-operational, desiring additional adequate assurance of payment, beyond that which is provided for in this Order, is required to serve a request (a "Additional Adequate Assurance Request") in writing within 90 days of the Petition Date to Debtor, Gateway Ethanol, L.L.C., Attn: Pat Breeding, 10333 NE 30th Street, Pratt, KS 67124, and to counsel for Debtor, Tammee E. McVey, Bryan Cave LLP, 1200 Main Street, Suite 3500, Kansas City, MO 64105, setting forth (i) the amount and form of additional adequate assurance of payment requested, (ii) the location at which utility services are provided; (iii) a summary of the Debtor's payment history to such utility, including any security deposits, and (iv) an explanation of why

the utility company believes the adequate assurance provided for in the Order is not sufficient adequate assurance of future payment;

(j) Upon receipt of any Additional Adequate Assurance Request, Debtor will have the greater of (i) 14 days from the receipt of such Additional Adequate Assurance Request, or (ii) 90 days from the Petition Date to reach a consensual agreement with such utility company (the "Resolution Period");

(k) In its discretion, Debtor shall be permitted to resolve any Additional Adequate Assurance Request by mutual agreement with the utility company and without further order of the Court, and shall be permitted, in connection with any such agreement, in its discretion, to provide such utility company with additional adequate assurance of payment, including but not limited to cash deposits, prepayments and/or other forms of security the Debtor believes is reasonable;

(l) If Debtor determines that the Additional Adequate Assurance Request is not reasonable and Debtor is not able to reach a consensual resolution with such utility company during the Resolution Period, Debtor shall request a hearing before this Court to determine the adequacy of adequate assurance payment with respect to that particular utility company. Pending resolution of any such determination, such utility company shall be prohibited from discontinuing, altering or refusing service to Debtor, including on account of unpaid charges for prepetition services or on account of any objections to the adequate assurance provided for in this Order;

(m) Any utility company that fails to serve Debtor with an Additional Adequate Assurance Request or file with the Court an objection to the adequate assurance provided for in this Order within twenty-five days of the Petition Date, shall be deemed to consent to the adequate assurance of future payment as provided in this Order and is prohibited from altering, refusing or discontinuing service to Debtor without further order of the Court; and

(n) Nothing in this Order, with the exception of Ninnescah Electric so long as the ethanol plant remains non-operational, shall prejudice any utility company's right to file a motion with the Court seeking a modification of the adequate assurance of future payment provided by Debtor pursuant to this Order.

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ORDER SUBMITTED BY:

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