COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF ZEBULON)	CASE NO. 2001-363-A
GAS ASSOCIATION)	

<u>ORDER</u>

On October 30, 2001, Zebulon filed its GCA to be effective December 1, 2001.

On November 16, 2001, the Commission approved Zebulon's Gas Cost Adjustment ("GCA") clause.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

- 1. Zebulon's notice includes revised rates designed to pass on to its customers its expected level of wholesale gas costs. Zebulon's proposed expected gas cost ("EGC") is \$6.561 per Mcf.
 - 2. Zebulon's notice sets out no current quarter refund adjustment.
- 3. Zebulon's GCA is \$6.561 per Mcf, which is in addition to Zebulon's existing rate of \$8.00 for the first Mcf and \$7.00 for all additional Mcf.
- 4. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied by Zebulon on and after December 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for gas supplied by Zebulon on and after December 1, 2001.

2. Within 20 days of the date of this Order, Zebulon shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of November, 2001.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2001-363-A DATED NOVEMBER 26, 2001

The following rates and charges are prescribed for the customers served by Zebulon Gas Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates:

	Base Rate	Gas Cost	Rate per Mcf
Minimum Bill - First Mcf	\$8.00	\$6.561	\$14.561
Over 1 Mcf	\$7.00	\$6.561	\$13.561