

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE RESOURCES, INC.)
FOR AN ORDER AUTHORIZING THE ISSUANCE) CASE NO.
AND SALE OF UP TO 1,800,000 SHARES OF) 94-124
COMMON STOCK)

O R D E R

IT IS ORDERED that Equitable Resources, Inc. ("Equitable") shall file an original and eight copies of the following information with this Commission, with a copy to all parties of record, within seven days from the date of this Order.

1. Provide the current market value of the proposed issuance.

2. Provide copies of any studies, reports, analyses or other documentation, including documentation from the independent compensation consultant, that support the use of this form of compensation. Include a discussion of the reasons why this method of compensation is preferable to straight salary compensation.

3. Provide the journal entries for the following events:

a. The awarding of a stock option grant in any of the forms contemplated by the Compensation Committee.

b. The forfeiture of a grant by an employee.

4. Provide a copy of the registration statement filed (or to be filed) with the Securities and Exchange Commission.

5. Provide an analysis that compares the Key Employee Restricted Stock Option and Stock Appreciation Rights Incentive

Compensation Plan originally adopted by Equitable in 1980 with the 1994 Long-Term Incentive Plan. Additionally, explain Equitable's reason(s) for changing the key employee incentive plan.

6. Explain in detail the criteria to be used by the Compensation Committee in determining who will receive this additional compensation and the level of the additional compensation to be granted.

7. For each year this compensation option is to be in effect, state the expected impact it will have on the capital structure of Equitable.

Done at Frankfort, Kentucky, this 6th day of May, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director