

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE )  
RESOURCES, INC. FOR AN ORDER )  
AUTHORIZING THE ISSUANCE OF ) CASE NO. 96-034  
\$250,000,000 OF DEBT SECURITIES )

O R D E R

On February 6, 1996, Equitable Resources, Inc. ("Equitable Resources"), through its division, Equitable Gas Company ("Equitable"), filed an application seeking authority to issue and sell debt securities in one or more transactions the aggregate principal amount of which would not exceed \$250,000,000. Equitable is subject to the jurisdiction of the Commission. However, as a division of Equitable Resources, it does not have a separate capital structure, and the securities are to be issued by Equitable Resources subject to the approval of this Commission.

The proposed securities are to be issued pursuant to the provisions of Rule 415 under the Securities Act of 1933 via a Registration Statement on Form S-3 with the Securities and Exchange Commission. The exact timing of each sale of securities and the method of distribution will be determined by market conditions.

The proceeds from the sale of securities would be used to pay \$75,000,000 of 8 1/4 percent long-term debt maturing July 1, 1996, to refinance \$75,000,000 of 9.9 percent long-term debt scheduled to

mature on April 15, 2013 and for other corporate purposes. No acquisition or construction of any property or facilities within the Commonwealth of Kentucky is proposed.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance of the above securities by Equitable Resources is for lawful objects within the corporate purposes of Equitable Resources' utility operations, is necessary and appropriate for and consistent with the proper performance of its service to the public, and is reasonable necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Equitable Resources be and it hereby is authorized to issue and sell in one or more transactions debt securities up to \$250,000,000 in principal amount.

2. Equitable Resources shall agree only to such terms and prices that are consistent with the parameters set out in its application.

3. Equitable shall, within 30 days from the date of issuance, file with this Commission a copy of the Preliminary Prospectus Supplement and the Prospectus Supplement setting forth the date or dates of issuance, the price paid, the interest rate, purchasers, and all fees and expenses, including underwriting


discounts or commission or other compensation, involved in the issuance and distribution and the use of the proceeds.

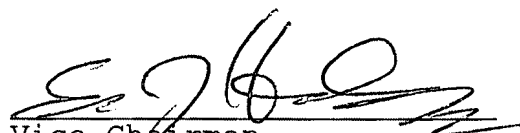
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

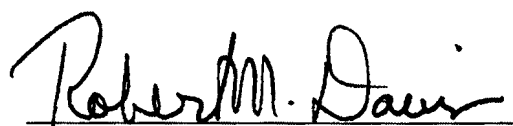
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 2nd day of April, 1996.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director