

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE RESOURCES,)
INC. FOR AN ORDER AUTHORIZING THE)
ISSUANCE AND SALE OF UP TO 8,000,000)
SHARES OF COMMON STOCK TO BE USED) CASE NO. 96-465
FOR ACQUIRING BUSINESS ENTITIES AND)
OTHER CORPORATE PURPOSES)

O R D E R

On September 26, 1996, Equitable Gas Company ("Equitable"), a division of Equitable Resources, Inc. ("Equitable Resources"), filed its application seeking authority to issue and sell up to 8,000,000 shares of its common stock, no par value. 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 shares will be used primarily for acquisition purposes; however, some of the shares could be issued through a public offering. The proceeds would be used for acquisitions or other corporate purposes. Equitable Resources does not propose to acquire, construct, install, or improve any property in the Commonwealth of Kentucky.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale by Equitable Resources of up to 8,000,000 shares of its common stock are for lawful objects within the corporate purposes

of Equitable Resources' utility operations, are necessary and appropriate for and consistent with the proper performance of its service to the public, are reasonably necessary and appropriate for such purposes, and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Equitable Resources is authorized to issue and sell up to 8,000,000 shares of its common stock, no par value, in the manner set forth in its application.
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 after the issuance of any of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the type and price of stock acquired or exchanged, the terms, and all fees and expenses 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 22nd day of November, 1996.

PUBLIC SERVICE COMMISSION

Aida K. Breathitt
Chairman

Ed J. Hill
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director