

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

* * * * *

In the Matter of

APPLICATION OF EQUITABLE GAS COMPANY)
FOR AN ORDER AUTHORIZING AN ISSUANCE)
AND SALE OF 150,000 SHARES OF COMMON) CASE NO. 7670
STOCK TO PARTICIPANTS IN DIVIDEND)
REINVESTMENT AND STOCK PURCHASE PLAN)

O R D E R

On the 26th day of November, 1979, Equitable Gas Company filed its Application seeking authority to issue and sell not in excess of 150,000 authorized shares of Common Stock of the Company, with a par value of \$4.25 per share, under the Company's Dividend Reinvestment and Stock Purchase Plan (the Plan). The shares have been reserved out of the authorized but unissued shares of the Company by the Board of Directors at its meeting of April 6, 1979. The proceeds from the sale of such securities will be used, together with other funds, for general corporate purposes, including working capital and capital expenditures.

Under the Plan, holders of the Applicant's Common Stock and all classes of its Preferred Stock may purchase additional shares of Common Stock by having their cash dividends on their shares of Common or Preferred Stock automatically reinvested and/or, if they wish by making additional cash payments. The price per share of newly-issued shares at which the additional Common Stock will be sold under the Plan will be the average of the closing sales prices as quoted in Composite Transactions for the five (5) days for which transactions in the Common Stock are reported immediately preceding a dividend payment date. Participants will bear none of the costs of the Plan for purchases under the Plan.

The matter was set for hearing at the Commission's offices on the 3rd day of January, 1980, at which hearing there appeared no party of interest other than the Applicant.

The Commission, after consideration of the Application and being advised, is of the opinion and finds that the issuance and sale by Equitable Gas Company of its authorized shares of Common Stock is for a lawful object within the corporate purposes of the utility, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED, that Equitable Gas Company be and it hereby is authorized to issue and sell not in excess of 150,000 authorized shares of Common Stock of the Company with a par value of \$4.25 per share, under the Company's Dividend Reinvestment and Stock Purchase Plan.

IT IS FURTHER ORDERED, that Equitable Gas Company, shall, as soon as reasonably possible, file with this Commission a statement setting forth the date that all requirements for the issuance of the securities authorized herein have been met, a statement of all fees and expenses involved in this securities issue, and any amendments to the Registration Statement as filed with the Securities and Exchange Commission.

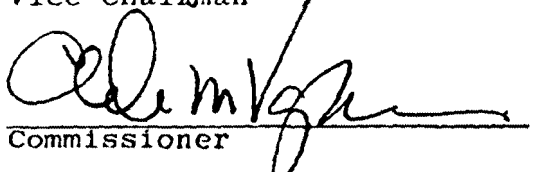
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this the 10th day of January, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Clerk, Secretary