

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 350,000 SHARES)
OF COMMON STOCK FOR USE IN) CASE NO. 9766
ITS KEY EMPLOYEE RESTRICTED)
STOCK OPTION AND STOCK)
APPRECIATION RIGHTS INCENTIVE)
COMPENSATION PLAN)

O R D E R

On November 17, 1986, Equitable Resources, Inc. ("Equitable"), filed an application seeking authority to issue and sell from time to time up to 350,000 shares of its common stock for use in its Key Employee Restricted Stock Option and Stock Appreciation Rights Incentive Compensation Plan.

The Commission, after considering the application and being advised, is of the opinion and finds that the issuance and sale from time to time of up to 350,000 shares of common stock by Equitable in connection with its Key Employee Restricted Stock Option and Stock Appreciation Rights Incentive Compensation Plan is for lawful objects within the corporate purposes of Equitable, is necessary and appropriate for and consistent with the proper performance by Equitable of its service to the public and will not impair its ability to perform that service and is reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED that:

1. Equitable be and it hereby is authorized to issue and sell from time to time up to 350,000 shares of its common stock in connection with its Key Employee Restricted Stock Option and Stock Appreciation Rights Incentive Compensation Plan.

2. Equitable shall provide the Commission with a copy of the form of the Registration Statement on Form S-8 filed with the Securities and Exchange Commission and a copy of the actual statement of expenses incurred in the offering.

3. The proceeds from the securities authorized herein shall be used only for the lawful purposes as 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 25th day of November, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hennessy
Chairman

R. D. Hennessy
Vice Chairman

ATTEST:

Executive Director

Spencer W. Williams
Commissioner