

EQUITABLE RESOURCES INC /PA/
Form 11-K
June 25, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

ý ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the year ended December 29, 2003

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-3551

EQUITABLE RESOURCES, INC. EMPLOYEE SAVINGS PLAN

(Full title of the Plan and address of the Plan,
if different from that of the issuer named below)

EQUITABLE RESOURCES, INC.

**One Oxford Centre, Suite 3300, 301 Grant Street,
Pittsburgh, Pennsylvania 15219**

(Name of issuer of the securities held pursuant to the
Plan and the address of principal executive office)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Benefits Administration Committee

Equitable Resources, Inc. Employee Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Equitable Resources, Inc. Employee Savings Plan as of December 29, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 29, 2003 and 2002, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 29, 2003 and reportable transactions for the year then ended are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
June 17, 2004

EQUITABLE RESOURCES, INC.

EMPLOYEE SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 29	
	2003	2002
Investments, at fair value:		
Mutual funds	\$ 40,965,738	\$ 30,692,310
Common/collective trusts	10,141,653	9,761,112
Employer Stock Funds	14,362,451	11,441,512
Participant loans	505,327	458,219
Contribution receivable-employee		126,303
Contribution receivable-employer		105,212
Net assets available for benefits	\$ 65,975,169	\$ 52,584,668

See accompanying notes.

EQUITABLE RESOURCES, INC.
EMPLOYEE SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year ended December 29	
	2003	2002
Additions:		
Investment income:		
Interest and dividends	\$ 1,244,171	\$ 1,116,005
Interest on participant loans	30,750	37,400
Total investment income	1,274,921	1,153,405
Net appreciation (depreciation) in fair value of investments	10,334,950	(7,700,759)
Contributions:		
Matching	2,851,694	3,095,298
Contract	4,606,581	4,661,562
Total contributions	7,458,275	7,756,860
Total additions	19,068,146	1,209,506
Deductions:		
Withdrawals by participants	5,419,608	6,682,888
Total deductions	5,419,608	6,682,888
Transfers (to) from affiliated plan	(254,920)	20,597
Other	(3,117)	(3,560)
Net increase (decrease) in net assets available for benefits	13,390,501	(5,456,345)
Net assets available for benefits:		
At beginning of year	52,584,668	58,041,013
At end of year	\$ 65,975,169	\$ 52,584,668

See accompanying notes.

***EQUITABLE RESOURCES, INC.
EMPLOYEE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 29, 2003***

1. Description of Plan

The following description of the Equitable Resources, Inc. Employee Savings Plan (Plan) provides only general information. Participants should refer to the summary plan description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution profit sharing and savings plan, with a 401(k) salary reduction feature, implemented on September 1, 1985, by Equitable Resources, Inc. and certain subsidiaries (the Company or Companies) (unless the represented employee's collective bargaining agreement specifically provides for participation).

All regular, full-time, part-time, non-union employees of the Companies are eligible to participate in the Plan on his or her first day of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants can elect to contribute between 1% and 15% of eligible earnings to the Plan, subject to Internal Revenue Code (IRC) limitations. These contributions are referred to as contract contributions.

Prior to January 1, 1999, the Company matched 50% of the first 6% of participants' contract contributions. Effective January 1, 1999, the Company will match a percentage of the first 6% of the participants' contract contributions based on years of service for participants in the NORESKO and Equitable Services divisions as follows:

Years of Service	Matching Contribution Percentage
Less than one year	50%
More than one year and less than three years	75%
More than three years	100%

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All other participants will receive a match of 50% of the first 6% of their contract contributions.

In addition, Equitable Production Company and Equitable Headquarters participants receive a performance contribution, which is determined on an annual basis at the discretion of the Company. During 2003 and 2002, the amount of the performance contribution was 6% of eligible compensation.

In addition, effective January 1, 1999, the matching contribution shall be invested in the Employer Stock Fund until the participant is 100% vested. After the participant is 100% vested, the matching contribution will follow the participant's contract investment election(s). The Employer Stock Fund consists of the Equitable Resources Stock Fund and effective May 1, 2002, the Equitable Resources Stock Fund- ESOP account (ESOP). The ESOP feature operates as an account within the Plan that will hold shares invested in the Equitable Resources Stock Fund. All participant and Company contributions made before May 1, 2002 that were invested in the Equitable Resources Stock Fund were allocated to the ESOP portion of the plan. After May 1, 2002, new contributions invested in the Equitable Resources Stock Fund will transfer to the ESOP on a quarterly basis. Participants can elect to receive dividends from the ESOP in cash or to be paid to their account and reinvested in the Equitable Resources Stock Fund.

Rollover Contributions

Participants are allowed to make rollover contributions (contributions transferred to the Plan from other qualified retirement plans), subject to certain requirements.

Vesting

Participants are 100% vested in the value of contract contributions made, and any rollover contributions.

If employment is terminated by the Companies for any reason other than retirement, death or total and permanent disability, a participant is entitled to receive the vested value of any employer contributions.

Matching contributions vest in accordance with the following schedule:

Years of Continuous Service	Vested Interest
One year	33%
Two years	66%
Three years	100%

Amounts forfeited by participants upon termination are used to reduce the amount of the Company's future employer contributions to the Plan. In 2003 and 2002, forfeitures of approximately \$226,899 and \$28,208, respectively, were used to offset contributions.

Upon retirement, death or total and permanent disability of the participant or termination of the Plan, a participant is entitled to receive the full value of any employer contributions, regardless of years of continuous service.

Withdrawals by Participants

Payments to participants can be made as follows: a lump-sum distribution, a direct rollover, if applicable, or, in the case of a distribution on account of retirement or total and permanent disability, equal periodic payments over the lesser of: a) the life expectancy of the participant and beneficiary or b) twenty (20) years.

Loans to Participants

A participant may borrow money from the Plan in amounts up to the lesser of \$50,000 or 50% of the vested balance of a participant's account.

Administrative Expenses

The plan sponsor pays administrative expenses associated with the Plan except for investment management fees which are paid by the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investments

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Short-term investments are valued at cost, which approximates market. The Employer Stock Fund consisting of Equitable Resources, Inc. common stock (Company common stock) is valued at market price as quoted on the New York Stock Exchange. There were 332,080 and 328,307 shares of Company common stock as of December 29, 2003 and 2002, respectively. The contracts included in the Putnam Stable Value Fund are valued at face value, which approximates market. Other investments are valued at market.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, the interests of all affected participants will become fully vested.

4. Investments

The Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

	Net Changes in Fair Value	
	December 29	
	2003	2002
Investments at fair value as determined by quoted market prices:		
Registered investment companies	\$ 7,364,427	\$ (7,861,578)
Common/collective trusts	201,414	(100,315)
Company stock	2,769,109	261,134
	\$ 10,334,950	\$ (7,700,759)

Investments that represent 5% or more of fair value of the Plan's net assets are as follows:

	December 29	
	2003	2002
Employer Stock Funds*	\$ 14,362,451	\$ 11,441,512
Putnam Voyager Fund	11,044,154	8,967,963
Putnam Stable Value Fund	8,860,969	8,873,290
The Putnam Fund for Growth and Income	7,159,683	5,810,630
The George Putnam Fund of Boston	4,537,098	4,148,642

Putnam International Growth Fund

3,936,593

3,116,887

*Nonparticipant-directed

Information about the net asset and significant components of the changes in net assets related to the nonparticipant-directed investments is as follows:

	Year ended December 29	
	2003	2002
Net asset:		
Employer Stock Funds	\$ 14,362,451	\$ 11,441,512
Changes in net assets:		
Dividend income	\$ 317,714	\$ 221,318
Net appreciation in fair value of investments	2,769,109	261,134
Employer contributions	1,018,258	1,009,262
Employee contributions	382,160	330,992
Withdrawals by participants	(949,317)	(902,385)
Transfers to funds	(598,127)	(740,280)
Other	(18,858)	(225,735)
	\$ 2,920,939	\$ (45,694)

5. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

6. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated November 26, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

SUPPLEMENTARY INFORMATION

*EQUITABLE RESOURCES, INC.**EMPLOYEE SAVINGS PLAN*

Plan 202 EIN: 25-0464690

*Schedule H, Line 4i Schedule of Assets (Held at End of Year)**December 29, 2003*

Identity of Issue	Description of Investment	Cost	Current Value
* Putnam Bond Index Fund	Common/collective trust	(a)	\$ 342,056
Alger Mid Cap Retirement Fund	Mutual fund	(a)	1,502,375
Equitable Life Insurance	Mutual fund	(a)	206
Lord Abbett Mid Cap Value Fund	Mutual fund	(a)	202,045
Pimco Total Return Administrative Fund	Mutual fund	(a)	1,249,027
Pimco High Yield Fund	Mutual fund	(a)	501,192
Oppenheimer Developing Markets	Mutual fund	(a)	1,325,640
MSIF Small Company Growth Fund	Mutual fund	(a)	342,495
Victory Diversified Stock Fund	Mutual fund	(a)	514,751
Alger Small Cap Institutional Portfolio	Mutual fund	(a)	123,946
Neuberger Berman Genesis Trust	Mutual fund	(a)	2,253,136
Pending Account	Noninterest-bearing cash	(a)	10,062
* The George Putnam Fund of Boston	Mutual fund	(a)	4,537,098
* The Putnam Fund for Growth and Income	Mutual fund	(a)	7,159,683
* Putnam Investors Fund	Mutual fund	(a)	57,816
* Putnam Income Fund	Mutual fund	(a)	1,305,559
* Putnam Global Equity Fund	Mutual fund	(a)	58,926
* Putnam Vista Fund	Mutual fund	(a)	204,413
* Putnam Voyager Fund	Mutual fund	(a)	11,044,154
* Putnam Growth Opportunities Fund	Mutual fund	(a)	192,460
* Putnam OTC and Emerging Growth Fund	Mutual fund	(a)	124,833
* Putnam Asset Allocation Growth Portfolio	Mutual fund	(a)	2,491,697
* Putnam Asset Allocation Balanced Portfolio	Mutual fund	(a)	1,270,224
* Putnam Asset Allocation Conservative Portfolio	Mutual fund	(a)	411,119
* Putnam S&P 500 Index Fund	Common/collective trust	(a)	938,629
* Putnam International Capital Opportunities	Mutual fund	(a)	146,287
* Putnam International Equity Fund	Mutual fund	(a)	3,936,593
* Loan Fund	Participant loans 5% to 10.50%**		505,327

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* EQT Common Stock Non-ESOP	Equitable securities common stock	\$	142,969	147,125
* EQT Common Stock ESOP	Equitable securities common stock	\$	8,842,972	14,215,326
* Putnam Stable Value Fund	Common/collective trust		(a)	8,860,969
			\$	65,975,169

(a) Cost information not required as per Special Rule for certain participant-directed transactions.

*Party-in-interest to the Plan.

** Maturities extend through year 2029.

EQUITABLE RESOURCES, INC.

EMPLOYEE SAVINGS PLAN

Plan 202 EIN: 25-0464690

Schedule H, Line 4j Schedule of Reportable Transactions

Year ended December 29, 2003

Identity of Party Involved	Description of Investment	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain
<u>Category (iii) series of transactions in excess of 5% of plan assets</u>						
Equitable Resources, Inc.	Employer Stock Fund-ESOP		4,485,102	3,726,690	4,485,102	758,412
Equitable Resources, Inc.	Employer Stock Fund-ESOP	4,667,388		4,667,388	4,667,388	

There were no category (i), (ii) or (iv) reportable transactions during 2003.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the members of the Benefits Administration Committee of the Plan have duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

EQUITABLE RESOURCES, INC.
EMPLOYEE SAVINGS PLAN
(Name of Plan)

By

/s/ David J. Smith
David J. Smith
Plan Administrator

June 25, 2004

EXHIBIT INDEX

Exhibit No.	Description
23	Consent of Independent Registered Public Accounting Firm

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