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Three Months Ended June 30,

Six Months Ended June 30,
in thousands (unless noted)

2018 (e)

2017

%

2018 (e)

2017

%
NATURAL GAS

Sales volume (MMcf)

334,135

167,682

99.3

663,539

332,146

99.8

NYMEX price ($/MMBtu) (a)

$
2.80

$
3.18

(11.9
)

$
2.89

$
3.25

(11.1
)
Btu uplift

0.18

0.26

(30.8
)

0.19

0.27

(29.6
)
Natural gas price ($/Mcf)

$
2.98

$
3.44

(13.4
)

$
3.08

$
3.52

(12.5
)

Basis ($/Mcf) (b)

$
(0.42
)

$
(0.60
)

(30.0
)

$
(0.15
)

$
(0.39

)

(61.5
)
Cash settled basis swaps (not designated as hedges) ($/Mcf)

(0.01
)

(0.04
)

(75.0
)

(0.08
)

—

100.0

Average differential, including cash settled basis swaps ($/Mcf)

$
(0.43
)

$
(0.64
)

(32.8
)

$
(0.23
)

$
(0.39
)

(41.0
)

Average adjusted price ($/Mcf)

$
2.55

$
2.80

(8.9
)

$
2.85

$
3.13

(8.9
)
Cash settled derivatives (cash flow hedges) ($/Mcf)

—

0.02

(100.0
)

—

0.01

(100.0
)
Cash settled derivatives (not designated as hedges) ($/Mcf)

0.09

(0.02
)

(550.0
)

0.07

(0.05
)

(240.0
)
Average natural gas price, including cash settled derivatives ($/Mcf)

$
2.64

$
2.80

(5.7
)

$
2.92

$
3.09

(5.5
)

Natural gas sales, including cash settled derivatives

$
884,543

$
469,165

88.5

$
1,939,608

$
1,028,364

88.6

LIQUIDS

NGLs (excluding ethane):

Sales volume (MMcfe) (c)

18,944

18,895

0.3

37,335

36,035

3.6

Sales volume (Mbbls)

3,157

3,149

0.3

6,222

6,006

3.6

Price ($/Bbl)

$
36.39

$
24.03

51.4

$
36.94

$
27.54

34.1

Cash settled derivatives (not designated as hedges) ($/Bbl)

(0.91
)

(0.32
)

184.4

(1.06
)

(0.43
)

146.5

Average NGL price, including cash settled derivatives ($/Bbl)

$
35.48

$
23.71

49.6

$
35.88

$
27.11

32.3

NGL sales

$
112,034

$
74,653

50.1

$
223,270

$
162,850

37.1

Ethane:

Sales volume (MMcfe) (c)

8,414

9,771

(13.9
)

16,411

16,744

(2.0
)
Sales volume (Mbbls)

1,402

1,629

(13.9
)

2,735

2,791

(2.0
)
Price ($/Bbl)

$
7.67

$
6.76

13.5

$
7.78

$
6.72

15.8

Ethane sales

$
10,754

$
11,007

(2.3
)

$
21,286

$
18,739

13.6

Oil:

Sales volume (MMcfe) (c)

1,047

1,732

(39.5
)

2,260

3,089

(26.8
)
Sales volume (Mbbls)

175

289

(39.4
)

377

515

(26.8
)
Price ($/Bbl)

$
56.04

$
38.91

44.0

$
55.56

$
41.04

35.4

Oil sales

$
9,784

$
11,230

(12.9
)

$
20,930

$
21,126

(0.9
)

Total liquids sales volume (MMcfe) (c)

28,405

30,398

(6.6
)

56,006

55,868

0.2

Total liquids sales volume (Mbbls)

4,734

5,067

(6.6
)

9,334

9,312

0.2

Liquids sales

$
132,572

$
96,890

36.8

$
265,486

$
202,715

31.0

TOTAL PRODUCTION

Total natural gas & liquids sales, including cash settled derivatives (d)

$
1,017,115

$
566,055

79.7

$
2,205,094

$
1,231,079

79.1

Total sales volume (MMcfe)

362,540

198,080

83.0

719,545

388,014

85.4

Average realized price ($/Mcfe)

$
2.81

$
2.86

(1.7
)

$
3.06

$
3.17

(3.5
)

(a) The Company’s volume weighted NYMEX natural gas price (actual average NYMEX natural gas price ($/MMBtu) was $2.80 and $3.18 for the three months ended June 30, 2018 and 2017, respectively, and $2.90 and $3.25 for the six months ended June 30, 2018 and 2017, respectively).
(b) Basis represents the difference between the ultimate sales price for natural gas and the NYMEX natural gas price.
(c) NGLs, ethane and crude oil were converted to Mcfe at the rate of six Mcfe per barrel for all periods.
(d) Also referred to in this report as EQT Production adjusted operating revenues, a non-GAAP supplemental financial measure.
(e) EQT Production includes the results of production operations acquired in the Rice Merger, which occurred on November 13, 2017.

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EQT Corporation and Subsidiaries
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Reconciliation of Non-GAAP Financial Measures

The table below reconciles EQT Production adjusted operating revenues, a non-GAAP supplemental financial measure, to EQT Production total operating revenues reported under EQT Production Results of Operations, its most directly comparable financial measure calculated in accordance with GAAP. See Note I to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a reconciliation of EQT Production operating revenues to EQT Corporation total operating revenues as reported in the Statements of Consolidated Operations.

EQT Production adjusted operating revenues (also referred to as total natural gas & liquids sales, including cash settled derivatives) is presented because it is an important measure used by the Company’s management to evaluate period-over-period comparisons of earnings trends. EQT Production adjusted operating revenues excludes the revenue impact of changes in the fair value of derivative instruments prior to settlement and the revenue impact of certain pipeline and net marketing services. Management utilizes EQT Production adjusted operating revenues to evaluate earnings trends because the measure reflects only the impact of settled derivative contracts and thus does not impact the revenue from natural gas sales with the often volatile fluctuations in the fair value of derivatives prior to settlement. EQT Production adjusted operating revenues also excludes pipeline and net marketing services because management considers these revenues to be unrelated to the revenues for its natural gas and liquids production. Pipeline and net marketing services primarily includes revenues for gathering services provided to third-parties as well as both the cost of and recoveries on third-party pipeline capacity not used for EQT Production sales volumes. Management further believes that EQT Production adjusted operating revenues as presented provides useful information to investors for evaluating period-over-period earnings trends.

Calculation of EQT Production adjusted operating revenues	Three Months Ended June 30,		Six Months Ended June 30,	
$ in thousands (unless noted)	2018	2017	2018	2017
EQT Production total operating revenues	$950,648	$631,101	$2,262,684	$1,459,763
Add back (deduct):				
Loss (gain) on derivatives not designated as hedges	53,897	(46,326)	(8,695)	(187,068)
Net cash settlements received (paid) on derivatives not designated as hedges	25,513	(11,191)	(13,116)	(20,158)
Premiums received for derivatives that settled during the period	237	532	471	1,058
Pipeline and net marketing services	(13,180)	(8,061)	(36,250)	(22,516)
EQT Production adjusted operating revenues, a non-GAAP financial measure	$1,017,115	$566,055	$2,205,094	$1,231,079
Total sales volumes (MMcfe)	362,540	198,080	719,545	388,014
Average realized price ($/Mcfe)	$2.81	$2.86	$3.06	$3.17

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Business Segment Results of Operations

Business segment operating results are presented in the segment discussions and financial tables on the following pages. Operating segments are evaluated on their contribution to the Company's consolidated results based on operating income. Other income, interest and income taxes are managed on a consolidated basis. Headquarters' costs are billed to the operating segments based upon a fixed allocation of the headquarters' annual operating budget. Unallocated expenses incurred in 2018 consist primarily of incentive compensation and administrative costs, which included transaction costs associated with the Company's sum-of-the-parts review, Midstream Streamlining Transactions and Rice Merger.

The Company has reported the components of each segment's operating income and various operational measures in the sections below, and where appropriate, has provided information describing how a measure was derived. EQT's management believes that presentation of this information provides useful information to management and investors regarding the financial condition, operations and trends of each of EQT's business segments without being obscured by the financial condition, operations and trends for the other segments or by the effects of corporate allocations of interest, income taxes and other income. In addition, management uses these measures for budget planning purposes. The Company has reconciled each segment's operating income to the Company's consolidated operating income and net income in Note I to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Prior to the Rice Merger, the Company reported its results of operations through three business segments: EQT Production, EQT Gathering and EQT Transmission. These reporting segments reflected the Company's lines of business and were reported in the same manner in which the Company evaluated its operating performance through September 30, 2017. Following the Rice Merger, the Company adjusted its internal reporting structure to incorporate the newly acquired assets. The Company now conducts its business through five business segments: EQT Production, EQM Gathering (formerly known as EQT Gathering), EQM Transmission (formerly known as EQT Transmission), RMP Gathering and RMP Water.

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EQT PRODUCTION

RESULTS OF OPERATIONS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018 (a)	2017	%	2018 (a)	2017	%
OPERATIONAL DATA						
Sales volume detail (MMcfe):						
Marcellus (b)	294,129	175,103	68.0	582,902	341,472	70.7
Ohio Utica	47,796	121	39,400.8	95,306	251	37,870.5
Other	20,615	22,856	(9.8)	41,337	46,291	(10.7)
Total production sales volumes (c)	362,540	198,080	83.0	719,545	388,014	85.4
Average daily sales volumes (MMcfe/d)	3,984	2,177	83.0	3,975	2,144	85.4
Average realized price ($/Mcfe)	$2.81	$2.86	(1.7)	$3.06	$3.17	(3.5)
Gathering to EQM Gathering and RMP Gathering ($/Mcfe)	$0.49	$0.48	2.1	$0.50	$0.48	4.2
Transmission to EQM Transmission ($/Mcfe)	$0.13	$0.22	(40.9)	$0.13	$0.23	(43.5)
Third-party gathering and transmission ($/Mcfe)	$0.42	$0.44	(4.5)	$0.42	$0.46	(8.7)
Processing ($/Mcfe)	$0.13	$0.24	(45.8)	$0.13	$0.23	(43.5)
Lease operating expenses (LOE), excluding production taxes ($/Mcfe)	$0.08	$0.13	(38.5)	$0.09	$0.13	(30.8)
Production taxes ($/Mcfe)	$0.06	$0.09	(33.3)	$0.06	$0.10	(40.0)
Production depletion ($/Mcfe)	$1.00	$1.04	(3.8)	$1.03	$1.04	(1.0)
Depreciation and depletion (thousands):						
Production depletion	$362,819	$205,524	76.5	$743,283	$402,986	84.4
Other depreciation and depletion	11,963	13,687	(12.6)	27,352	27,322	0.1
Total depreciation and depletion	$374,782	$219,211	71.0	$770,635	$430,308	79.1
Capital expenditures (thousands) (d)	$739,183	$455,721	62.2	$1,369,941	$1,401,179	(2.2)
FINANCIAL DATA (thousands)						
Revenues:						
Sales of natural gas, oil and NGLs	$991,365	$576,714	71.9	$2,217,739	$1,250,179	77.4
Pipeline and net marketing services	13,180	8,061	63.5	36,250	22,516	61.0
(Loss) gain on derivatives not designated as hedges	(53,897)	46,326	(216.3)	8,695	187,068	(95.4)
Total operating revenues	950,648	631,101	50.6	2,262,684	1,459,763	55.0
Operating expenses:						
Gathering	194,751	110,965	75.5	388,369	217,880	78.2
Transmission	187,158	116,209	61.1	365,174	234,805	55.5

Processing	46,160	46,819	(1.4)	91,183	89,579	1.8
LOE, excluding production taxes	27,457	25,917	5.9	61,589	51,111	20.5
Production taxes	20,406	18,359	11.1	44,908	38,837	15.6
Exploration	21,182	3,481	508.5	26,286	6,603	298.1
Selling, general and administrative (SG&A)	40,484	37,256	8.7	73,026	80,207	(9.0)
Depreciation and depletion	374,782	219,211	71.0	770,635	430,308	79.1
Impairment/loss on sale of long-lived assets	118,114	—	100.0	2,447,159	—	100.0
Total operating expenses	1,030,494	578,217	78.2	4,268,329	1,149,330	271.4
Operating (loss) income	$(79,846)	$52,884	(251.0)	$(2,005,645)	$310,433	(746.1)

(a) Operational Data for EQT Production includes results of operations for production operations acquired in the Rice Merger, which occurred on November 13, 2017.

(b) Includes Upper Devonian wells.

(c) NGLs, ethane and crude oil were converted to Mcfe at the rate of six Mcfe per barrel for all periods.

(d) Expenditures for segment assets in the EQT Production segment included $41.3 million and $47.0 million for fill-ins and bolt-ons associated with legacy EQT acreage for the three months ended June 30, 2018 and 2017, respectively, and $78.1 million and $89.7 million for fill-ins and bolt-ons associated with legacy EQT acreage for the six months ended June 30, 2018 and 2017, respectively. The three and six months ended June 30, 2017 included $141.7 million and $811.2 million of cash capital expenditures, respectively, and $9.7 million of non-cash capital expenditures for the six months ended June 30, 2017, for the acquisitions discussed in Note P.

Three Months Ended June 30, 2018 vs. Three Months Ended June 30, 2017

EQT Production’s operating loss was $79.8 million for the three months ended June 30, 2018 compared to operating income of $52.9 million for the three months ended June 30, 2017. The decrease was primarily due to higher operating costs, including an impairment charge recorded in the second quarter of 2018 associated with the planned and completed divestitures of certain non-core production and related pipeline assets in the Huron and Permian Plays, a loss on derivatives not designated as hedges compared to a gain on derivatives not designated as hedges in the prior year and a lower average realized price, partly offset by increased sales volumes of produced natural gas. These variances include the impact of operating the assets acquired from Rice for the three months ended June 30, 2018, as the Rice Merger was completed in the fourth quarter of 2017.

Total operating revenues were $950.6 million for the three months ended June 30, 2018 compared to $631.1 million for the three months ended June 30, 2017. Sales of natural gas, oil and NGLs increased as a result of an 83% increase in production sales volumes in the current period which was primarily a result of the Rice Merger as well as increased production from the 2016 and 2017 drilling programs, partly offset by the normal production decline in the Company’s producing wells. The increase in production sales volumes was partly offset by a lower average realized price. EQT Production received $25.5 million and paid $11.2 million of net cash settlements for derivatives not designated as hedges during the three months ended June 30, 2018 and 2017, respectively, that are included in the average realized price but are not in GAAP operating revenues.

The $0.05 per Mcfe decrease in the average realized price for the three months ended June 30, 2018 was primarily due to a decrease in the average NYMEX natural gas price net of cash settled derivatives of $0.37 per Mcf, partly offset by a $0.21 per Mcf improvement in the average natural gas differential and higher liquids prices. While Appalachian Basin basis was slightly unfavorable for the three months ended June 30, 2018 compared to the three months ended June 30, 2017, the Company's access to higher priced markets outside of the Appalachian Basin increased due to its increased transportation portfolio following the Rice Merger. The resulting increased sales volumes at Gulf Coast and Midwest market prices favorably impacted basis period over period.

Pipeline and net marketing services primarily includes gathering revenues from gathering services provided to third parties and both the cost of, and recoveries on, third-party pipeline capacity not used to transport EQT Production’s produced volumes. The increase in these revenues primarily related to favorable price spreads on the Company’s Tennessee Gas Pipeline capacity.

EQT Production total operating revenues for the three months ended June 30, 2018 included a $53.9 million loss on derivatives not designated as hedges compared to a $46.3 million gain on derivatives not designated as hedges for the three months ended June 30, 2017. The losses for the three months ended June 30, 2018 primarily related to a decrease in the fair market value of EQT Production’s basis swaps due to an increase in basis prices, partly offset by an increase in the fair market value of EQT Production's NYMEX swaps and NYMEX options due to a decrease in NYMEX prices during the second quarter of 2018.

Gathering expense increased consistent with production sales volumes, partly offset by a lower gathering rate per unit on gathering capacity acquired in the Rice Merger. Transmission expense increased due to increased third party capacity incurred to move EQT Production’s natural gas out of the Appalachian Basin, primarily due to firm capacity acquired in connection with the Rice Merger as well as the Company's capacity on the Rover pipeline, which started in 2018. On a per unit basis, these costs and other operating costs are lower for the three months ended June 30, 2018 compared to the three months ended June 30, 2017 reflecting the savings achieved through the Rice Merger.

Production taxes increased primarily as a result of increased development activity in Pennsylvania as well as the increased asset base and production volumes in Ohio following the Rice Merger. Exploration expense increased primarily due to an increase in the number of leases expiring during the second quarter of 2018.

Depreciation and depletion expense increased as a result of higher produced volumes in the second quarter of 2018, partly offset by a lower depreciation and depletion rate.

Six Months Ended June 30, 2018 vs. Six Months Ended June 30, 2017

EQT Production's operating loss was $2,005.6 million for the six months ended June 30, 2018 compared to operating income of $310.4 million for the six months ended June 30, 2017. The decrease was primarily due to impairment charges recorded in 2018 associated with the planned and completed divestitures of certain non-core production and related pipeline assets in the Huron and Permian Plays. Higher other operating expenses, lower gains on derivatives not designated as hedges and a lower average realized price more than offset increased sales volumes of produced natural gas. These variances include the impact of operating the assets acquired from Rice for the six months ended June 30, 2018, as the Rice Merger was completed in the fourth quarter of 2017.

Total operating revenues were $2,262.7 million for the six months ended June 30, 2018 compared to $1,459.8 million for the six months ended June 30, 2017. Sales of natural gas, oil and NGLs increased as a result of an 85% increase in production sales volumes in the current period which was primarily a result of the Rice Merger as well as increased production from the 2016 and 2017 drilling programs, partly offset by the normal production decline in the Company's producing wells. The increase in production sales volumes was partly offset by a lower average realized price. EQT Production paid $13.1 million and $20.2 million of net cash settlements for derivatives not designated as hedges during the six months ended June 30, 2018 and 2017, respectively, that are included in the average realized price but are not in the GAAP operating revenues.

The $0.11 per Mcfe decrease in the average realized price for the six months ended June 30, 2018 compared to the six months ended June 30, 2017 was primarily due to a decrease in the average NYMEX natural gas price net of cash settled derivatives of $0.33 per Mcf, partly offset by a $0.16 per Mcf improvement in the average natural gas differential and higher liquids prices. The increase in the average differential primarily related to higher basis, partly offset by lower cash settled basis swaps. The improvement in basis primarily related to higher prices during the first quarter of 2018 at sales points in the United States Northeast where colder weather led to increased demand as well as increased sales volumes at higher priced Gulf Coast and Midwest markets accessible through the Company's increased transportation portfolio following the Rice Merger.

The increase in pipeline and net marketing services primarily related to favorable price spreads on the Company's Tennessee Gas Pipeline capacity.

EQT Production total operating revenues for the six months ended June 30, 2018 and 2017 included an $8.7 million and $187.1 million gain on derivatives not designated as hedges, respectively. The gains for the six months ended June 30, 2018 primarily related to an increase in the fair market value of EQT Production's NYMEX swaps and NYMEX options due to a decrease in NYMEX prices, partially offset by a decrease in the fair market value of EQT Production's basis swaps due to an increase in basis prices during the first half of 2018.

Gathering expense increased consistent with production sales volumes, partly offset by a lower gathering rate per unit on gathering capacity acquired in the Rice Merger. Transmission expense increased due to increased third party capacity incurred to move EQT Production's natural gas out of the Appalachian Basin, primarily due to firm capacity acquired in connection with the Rice Merger as well as the Company's capacity on the Rover pipeline, which started in 2018. On a per unit basis, these costs and other operating costs were lower for the six months ended June 30, 2018 compared to the six months ended June 30, 2017 reflecting the savings achieved through the Rice Merger.

The increase in LOE was a result of the growth in volumes as reflected in the lower per unit cost. On an absolute basis, LOE increased primarily due to increased salt water disposal costs in 2018 related to increased activity from the Rice Merger and higher personnel costs. Production taxes increased primarily as a result of increased development activity in Pennsylvania as well as the increased asset base and production volumes in Ohio following the Rice Merger. SG&A expense decreased primarily due to decreased legal reserves, partly offset by higher personnel costs including corporate overhead allocations. Exploration expense increased primarily due to an increase in the number of leases expiring during the second quarter of 2018.

Depreciation and depletion expense increased as a result of higher produced volumes in 2018.

See Note Q to the Condensed Consolidated Financial Statements for a discussion of the asset impairment.

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EQM GATHERING

RESULTS OF OPERATIONS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018 (a)	2017	%	2018 (a)	2017	%
	(Thousands, other than per day amounts)					
FINANCIAL DATA						
Firm reservation fee revenues	$111,702	$101,858	9.7	$221,635	$196,129	13.0
Volumetric based fee revenues:						
Usage fees under firm contracts (b)	9,956	6,479	53.7	22,064	11,300	95.3
Usage fees under interruptible contracts (c)	58,958	3,808	1,448.3	116,545	7,045	1,554.3
Total volumetric based fee revenues	68,914	10,287	569.9	138,609	18,345	655.6
Total operating revenues	180,616	112,145	61.1	360,244	214,474	68.0
Operating expenses:						
Operating and maintenance	15,777	10,293	53.3	27,686	20,633	34.2
SG&A	17,175	8,872	93.6	28,682	18,297	56.8
Depreciation	15,646	9,555	63.7	30,590	18,415	66.1
Amortization of intangible assets	10,387	—	100.0	20,773	—	100.0
Total operating expenses	58,985	28,720	105.4	107,731	57,345	87.9
Operating income	$121,631	$83,425	45.8	$252,513	$157,129	60.7
OPERATIONAL DATA						
Gathered volumes (BBtu per day)						
Firm capacity reservation	2,007	1,780	12.8	1,986	1,754	13.2
Volumetric based services (d)	2,494	281	787.5	2,514	253	893.7
Total gathered volumes	4,501	2,061	118.4	4,500	2,007	124.2
Capital expenditures	$139,099	$53,708	159.0	$252,297	$102,546	146.0

(a) Includes the pre-acquisition results of the Drop-Down Transaction, which was effective May 1, 2018. The recast is for the period the acquired businesses were under the common control of EQT, which began on November 13, 2017 as a result of the Rice Merger.
(b) Includes fees on volumes gathered in excess of firm contracted capacity.
(c) Includes volumes from contracts under which EQM has agreed to hold capacity available but for which it does not receive a capacity reservation fee.
(d) Includes volumes gathered under interruptible contracts and volumes gathered in excess of firm contracted capacity.

Three Months Ended June 30, 2018 vs. Three Months Ended June 30, 2017

EQM Gathering revenues increased by $68.5 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017 primarily driven by the Drop-Down Transaction and affiliate and third party production development in the Marcellus Shale. Firm reservation fee revenues increased primarily as a result of increased affiliate and third party contracted gathering capacity, including that on the Range Resources Corporation (Range Resources) header pipeline project, and higher rates on various affiliate wellhead expansion projects in the current period. Usage fees under firm contracts increased due to increased third party and affiliate volumes gathered in excess of firm contracted capacity. Usage fess under interruptible contracts increased as a result of the Drop-Down Transaction, which added revenues of $55.3 million for the three months ended June 30, 2018.

Operating expenses increased by $30.3 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017. Operating and maintenance expense increased as a result of the Drop-Down Transaction as well as an increase in repairs and maintenance expense consistent with the growth of the business. Selling, general and administrative increased as a result of the Drop-Down Transaction and transaction costs associated with that acquisition and the Midstream Mergers. Depreciation expense increased primarily as a result of the Drop-Down Transaction and additional assets placed in-service, including those associated with the Range Resources header pipeline project and various wellhead gathering expansion projects. Amortization of intangible assets relates to the Drop-Down Transaction.

Six Months Ended June 30, 2018 vs. Six Months Ended June 30, 2017

EQM Gathering revenues increased by $145.8 million for the six months ended June 30, 2018 compared to the six months ended June 30, 2017 primarily driven by the Drop-Down Transaction and affiliate and third party production development in the Marcellus Shale. Firm reservation fee revenues increased primarily as a result of increased affiliate and third party contracted gathering capacity, including that on the Range Resources header pipeline project, and higher rates on various affiliate wellhead expansion projects in the current period. Usage fees under firm contracts increased due to increased third party and affiliate volumes gathered in excess of firm contracted capacity. Usage fees under interruptible contracts increased as a result of the Drop-Down Transaction, which added revenues of $109.0 million for the six months ended June 30, 2018.

Operating expenses increased by $50.4 million for the six months ended June 30, 2018 compared to the six months ended June 30, 2017. Operating and maintenance expense increased as a result of the Drop-Down Transaction as well as an increase in repairs and maintenance expense consistent with the growth of the business. Selling, general and administrative increased as a result of the Drop-Down Transaction and transaction costs associated with that acquisition and the Midstream Mergers. Depreciation expense increased primarily as a result of the Drop-Down Transaction and additional assets placed in-service, including those associated with the Range Resources header pipeline project and various wellhead gathering expansion projects. Amortization of intangible assets relates to the Drop-Down Transaction.

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EQM TRANSMISSION

RESULTS OF OPERATIONS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	%	2018	2017	%
	(Thousands, other than per day amounts)					
FINANCIAL DATA						
Firm reservation fee revenues	$82,222	$79,512	3.4	$179,997	$171,786	4.8
Volumetric based fee revenues:						
Usage fees under firm contracts (a)	4,828	3,503	37.8	8,650	6,360	36.0
Usage fees under interruptible contracts	2,095	1,655	26.6	7,432	4,267	74.2
Total volumetric based fee revenues	6,923	5,158	34.2	16,082	10,627	51.3
Total operating revenues	89,145	84,670	5.3	196,079	182,413	7.5
Operating expenses:						
Operating and maintenance	8,810	8,022	9.8	16,361	14,499	12.8
SG&A	7,263	6,940	4.7	14,754	14,915	(1.1)
Depreciation	12,430	11,845	4.9	24,871	23,532	5.7
Total operating expenses	28,503	26,807	6.3	55,986	52,946	5.7
Operating income	$60,642	$57,863	4.8	$140,093	$129,467	8.2
Equity income	$10,938	$5,111	114.0	$19,749	$9,388	110.4
OPERATIONAL DATA						
Transmission pipeline throughput (BBtu per day)						
Firm capacity reservation	2,826	2,218	27.4	2,821	2,171	29.9
Volumetric based services (b)	41	21	95.2	41	24	70.8
Total transmission pipeline throughput	2,867	2,239	28.0	2,862	2,195	30.4
Average contracted firm transmission reservation commitments (BBtu per day)	3,607	3,341	8.0	3,873	3,542	9.3
Capital expenditures	$27,962	$29,978	(6.7)	$46,891	$51,367	(8.7)

(a) Includes fees on volumes transported in excess of firm contracted capacity as well as commodity charges and fees on all volumes transported under firm contracts.
(b) Includes volumes transported under interruptible contracts and volumes transported in excess of firm contracted capacity.

Three Months Ended June 30, 2018 vs. Three Months Ended June 30, 2017

EQM Transmission and storage revenues increased by $4.5 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017. Firm reservation fee revenues increased due to higher contractual rates on existing contracts with affiliates and third parties in the current period. Usage fees under firm contracts increased primarily due to increased commodity charges on higher firm contracted volumes. The increase in usage fees under interruptible contracts primarily relates to higher parking revenue, which does not have associated pipeline throughput.

Operating expenses increased by $1.7 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017 consistent with the growth of the business.

The increase in equity income of $5.8 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017 was primarily related to the increase in the MVP Joint Venture's AFUDC on the MVP.

Six Months Ended June 30, 2018 vs. Six Months Ended June 30, 2017

EQM Transmission and storage revenues increased by $13.7 million for the six months ended June 30, 2018 compared to the six months ended June 30, 2017. Firm reservation fee revenues increased due to higher contractual rates on existing contracts with third parties and affiliates in the current period, and third parties contracting for additional firm capacity. Usage fees under firm contracts increased primarily due to increased commodity charges. The increase in usage fees under interruptible contracts primarily relates to higher parking revenue, which does not have associated pipeline throughput.

Operating expenses increased by $3.0 million for the six months ended June 30, 2018 compared to the six months ended June 30, 2017 consistent with the growth of the business.

Equity income increased $10.4 million for the six months ended June 30, 2018 compared to the six months ended June 30, 2017 primarily due to the increase in the MVP Joint Venture's AFUDC on the MVP.

RMP GATHERING

RESULTS OF OPERATIONS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018 (a)	2017	%	2018 (a)	2017	%
FINANCIAL DATA	(Thousands, other than per day amounts)					
Operating revenues:						
Gathering revenues	$52,966	$ —	100.0	$105,696	$ —	100.0
Compression revenues	9,315	—	100.0	18,086	—	100.0
Total operating revenues	62,281	—	100.0	123,782	—	100.0
Operating expenses:						
Operation and maintenance expense	7,092	—	100.0	10,281	—	100.0
General and administrative expense	7,339	—	100.0	13,432	—	100.0
Depreciation expense	8,236	—	100.0	16,360	—	100.0
Total operating expenses	22,667	—	100.0	40,073	—	100.0
Operating income	$39,614	$ —	100.0	$83,709	$ —	100.0
OPERATIONAL DATA						
Gathered volumes (BBtu/d)	1,708	—	100.0	1,703	—	100.0
Compression volumes (BBtu/d)	1,313	—	100.0	1,281	—	100.0
Capital expenditures (in thousands)	$47,358	$ —	100.0	$68,298	$ —	100.0

(a) This table sets forth selected financial and operational data for RMP Gathering. The Company acquired RMP Gathering on November 13, 2017 as part of the Rice Merger.

Substantially all of RMP Gathering's revenues are from contracts with EQT Production to gather gas in Washington and Greene Counties, Pennsylvania. RMP Gathering provides all services under long-term contracts that are supported in most cases by acreage dedications. RMP Gathering charges separate rates for gathering and compression services based on the actual volumes gathered and compressed. During the three and six months ended June 30, 2018, operating expenses are composed of customary expenses for a gathering business.

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RMP WATER

RESULTS OF OPERATIONS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018 (a)	2017	%	2018 (a)	2017	%
FINANCIAL DATA	(Thousands, other than per day amounts)					
Water services revenues	42,655	—	100.0	65,618	—	100.0
Operating expenses:						
Operation and maintenance expense	11,591	—	100.0	16,302	—	100.0
General and administrative expense	1,285	—	100.0	2,396	—	100.0
Depreciation expense	5,798	—	100.0	11,569	—	100.0
Total operating expenses	18,674	—	100.0	30,267	—	100.0
Operating income	$23,981	$ —	100.0	$35,351	$ —	100.0
OPERATIONAL DATA						
Water services volumes (in MMgal)	701	—	100.0	1,135	—	100.0
Capital expenditures (in thousands)	$7,002	$ —	100.0	$9,377	$ —	100.0

(a) This table sets forth selected financial and operational data for RMP Water. The Company acquired RMP Water on November 13, 2017 as part of the Rice Merger.

RMP Water provides fresh water for well completions operations in the Marcellus and Utica Shales and collects flowback and produced water for recycling or disposal. Substantially all of RMP Water's services are provided to EQT Production. RMP Water offers its services on a volumetric basis, supported by an acreage dedication from EQT Production for certain drilling areas. RMP Water charges customers a fee per gallon of water; this fee is tiered and thus is lower on a per gallon basis once the customer meets certain volumetric thresholds. During the three and six months ended June 30, 2018, operating expenses are composed of customary expenses for a water business.

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Other Income Statement Items

Other Income

For the three months ended June 30, 2018 and 2017, the Company recorded equity in earnings of nonconsolidated investments of $10.9 million and $5.1 million, respectively, related to EQM's portion of the MVP Joint Venture's AFUDC on the MVP. For the six months ended June 30, 2018 and 2017, the Company recorded equity in earnings of nonconsolidated investments of $19.7 million and $9.4 million, respectively, related to EQM's portion of the MVP Joint Venture's AFUDC on the MVP. EQT includes the equity investment in MVP in the EQM Transmission segment.

For the six months ended June 30, 2017, other income was partly offset by losses on the sale of trading securities. As of March 31, 2017, the Company closed its positions on all trading securities.

Other income also includes AFUDC - equity which varies based on EQM's level of spending on regulated projects.

Interest Expense

Interest expense increased by $32.9 million for the three months ended June 30, 2018 compared to the three months ended June 30, 2017, which was primarily driven by $24.1 million of interest incurred on EQT's Senior Notes issued in October 2017 and $19.2 million of interest incurred on credit facility borrowings partly offset by a $10.7 million decrease due to the early extinguishment of certain EQT Senior Notes.

Interest expense increased by $60.3 million for the six months ended June 30, 2018 compared to the six months ended June 30, 2017, which was primarily driven by $48.1 million of interest incurred on EQT's Senior Notes issued in October 2017 and $35.6 million of interest incurred on credit facility borrowings partly offset by a $21.4 million decrease due to the early extinguishment of certain EQT Senior Notes.

Income Tax Expense

See discussion of income tax expense in Note L. to the Condensed Consolidated Financial Statements.

Net Income Attributable to Noncontrolling Interests

The increase in net income attributable to noncontrolling interests for the three months and six months ended June 30, 2018 was the result of higher net income at EQM and noncontrolling interests in RMP and Strike Force Midstream as a result of the Rice Merger on November 13, 2017. As described in Note B to the Condensed Consolidated Financial Statements, Strike Force Midstream is now a wholly owned subsidiary of EQM following the Gulfport Transaction.

OUTLOOK

On February 21, 2018, the Company announced a plan to separate its upstream and midstream businesses, creating a standalone publicly traded corporation (SpinCo) that will focus on midstream operations. Following the Separation, SpinCo will own the midstream interests held by the Company, including the interests in EQGP and EQM. The Separation is intended to qualify as tax-free to the Company’s shareholders for U.S. federal income tax purposes. Under the Separation plan, the Company’s shareholders will retain their shares of the Company’s stock and receive a pro-rata distribution of 80.1% of the outstanding shares of SpinCo common stock (the Distribution). The Company will retain 19.9% of SpinCo’s common stock immediately following the Distribution. The Company plans to dispose of all of its retained SpinCo common stock, which may include dispositions through one or more subsequent exchanges for debt or a sale of its shares for cash. The Company expects to dispose its retained SpinCo common stock in order to reduce the Company’s post-Separation debt and fund the stock buyback program.

In preparation for the Separation, the Company is evaluating the long-term strategy for EQT Production's pace of development in order to achieve the optimal balance between free cash flow generation and volume growth. This could result in an adjustment to the Company's drilling and capital expenditures plan in light of the Company's focus on upstream activities after the Separation.

The Company is also evaluating whether to propose elimination of EQGP's incentive distribution rights structure following the Separation. However, the Company currently anticipates that the ultimate decision of whether to propose elimination of EQGP's incentive distribution rights structure will be made by the SpinCo board of directors following the Separation.

The Company is committed to profitably and safely developing its Appalachian Basin natural gas and NGLs reserves through environmentally responsible, cost-effective and technologically advanced horizontal drilling. The Company believes the long-term outlook for its business is favorable due to the Company’s substantial resource base, low cost structure, financial strength, risk management, including its commodity hedging strategy, and disciplined investment of capital. The Company believes the combination of these factors provide it with an opportunity to exploit and develop its positions and maximize efficiency through economies of scale in its strategic operating area.

The Company monitors current and expected market conditions, including the commodity price environment, and its liquidity needs and may adjust its capital investment plan accordingly. While the tactics continue to evolve based on market conditions, the Company periodically considers arrangements to monetize the value of certain mature assets for re-deployment into the highest value development opportunities. Upon the closing of the Rice Merger, the Company’s consolidation goals were largely met and the Company plans to focus on integrating the Rice assets and realizing higher returns through longer laterals and achieving an even lower operating cost structure. The Company will also continue to pursue tactical acquisitions of fill-in acreage to extend laterals.

EQT Production expects to spend approximately $2.2 billion for well development (primarily drilling and completion) in 2018. Estimated sales volumes are expected to be 1,490 - 1,510 Bcfe for 2018, which reaffirms previous after adjusting for volumes associated with the Huron Divestiture. The 2018 capital investment plan for EQT Production is expected to be funded by cash generated from operations and cash on hand.

To support continued growth in production, the Company plans to invest approximately $2.0 billion on midstream infrastructure through EQM in 2018, including capital contributions to the MVP Joint Venture of $1.1 billion. This also includes expansion and ongoing maintenance capital expenditures of RMP as a result of the completion of the Midstream Mergers on July 23, 2018. EQM's future capital investments may vary significantly from period to period based on the available investment opportunities and the timing of construction for the MVP. Maintenance related capital expenditures are also expected to vary quarter to quarter. EQM may fund future capital expenditures primarily through cash generated from operations, availability under its credit facilities, debt offerings and issuances of additional EQM common units. EQM is not forecasting any public equity issuance at least through 2020.

The Company’s revenues, earnings, liquidity and ability to grow are substantially dependent on the prices it receives for, and the Company’s ability to develop its reserves of, natural gas and NGLs. Due to the volatility of commodity prices, the Company is unable to predict future potential movements in the market prices for natural gas, including Appalachian and other market point basis, and NGLs and thus cannot predict the ultimate impact of prices on its operations.

Changes in natural gas, NGLs and oil prices could affect, among other things, the Company's development plans, which would increase or decrease the pace of the development and the level of the Company's reserves, as well as the Company's revenues, earnings or liquidity. Lower prices could also result in non-cash impairments in the book value of the Company’s oil and gas properties, goodwill or other long lived intangible assets or downward adjustments to the Company’s estimated proved reserves. Any such impairment and/or downward adjustment to the Company’s estimated reserves could potentially be material to the Company.

See "Impairment of Oil and Gas Properties and Goodwill" and “Critical Accounting Policies and Estimates” included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 for a discussion of the Company’s accounting policies and significant assumptions related to accounting for oil and gas producing activities, and the Company's policies and processes with respect to impairment reviews for proved and unproved property and goodwill. As a result of its second quarter 2018 evaluations, the Company recognized an impairment charge of $0.1 billion associated with the planned and completed divestitures of certain non-core production and related pipeline assets in the Huron and Permian Plays. The Company did not identify an impairment indicator related to goodwill during the second quarter of 2018. As discussed in Note Q to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q, as a result of the Huron Divestiture, the Company expects to record an additional impairment/loss on sale of long-lived assets of up to $275 million during the third quarter of 2018 associated with certain capacity contracts which the Company will no longer have existing production to satisfy and does not plan to utilize in the future.

CAPITAL RESOURCES AND LIQUIDITY

Operating Activities

Net cash flows provided by operating activities totaled $1,541.1 million for the six months ended June 30, 2018 compared to $809.0 million for the six months ended June 30, 2017. The $732.1 million increase in cash flows provided by operating activities was primarily the result of higher operating revenues offset by increased cash operating expenses.

Investing Activities

Net cash flows used in investing activities totaled $1,762.2 million for the six months ended June 30, 2018 compared to $1,267.8 million for the six months ended June 30, 2017. The $494.4 million increase was primarily due to the Company's capital expenditures and higher contributions to the MVP Joint Venture during the six months ended June 30, 2018. These increases were partly offset by proceeds from the sale of Permian Basin assets and a deposit received for the Huron Divestiture during the six months ended June 30, 2018 and capital expenditures for acquisitions during the six months ended June 30, 2017. The Company spud 90 gross wells in the first half of 2018, including 59 horizontal Marcellus wells, five horizontal Upper Devonian wells and 26 horizontal Utica wells. The Company spud 114 gross wells in the first half of 2017, including 71 horizontal Marcellus wells, 42 horizontal Upper Devonian wells and one horizontal Utica well. The Company completed approximately 1,184,000 feet of pay in the first half of 2018, approximately four times the 298,000 feet of pay completed during the same period of 2017. Gathering capital expenditures increased primarily in support of gathering projects supporting EQT's production development in the Marcellus Shale.

Capital expenditures as reported on the Statements of Condensed Consolidated Cash Flows for the six months ended June 30, 2018 and 2017 excluded capitalized non-cash stock-based compensation expense and accruals. The impact of accrued capital expenditures includes the reversal of the prior period accrual as well as the current period estimate, both of which are non-cash items. The net impact of these non-cash items was $6.6 million and $58.4 million for the six months ended June 30, 2018 and 2017, respectively. There were no non-cash capital expenditures excluded for acquisitions as reported on the Statements of Condensed Consolidated Cash Flows for the six months ended June 30,

2018. The Company excluded non-cash capital expenditures as reported on the Statements of Condensed Consolidated Cash Flows of $9.7 million related to the Company's acquisitions for the six months ended June 30, 2017.

Financing Activities

Net cash flows provided by financing activities totaled $771.8 million for the six months ended June 30, 2018 compared to net cash flows used in financing activities of $147.3 million for the six months ended June 30, 2017. For the six months ended June 30, 2018, the primary source of financing cash flows was net proceeds from the EQM 2018 Senior Notes (as defined in Note B to the Condensed Consolidated Financial Statements) offering net of offering costs, while the primary use of financing cash flows was a net decrease in EQT, EQM and RMP credit facility borrowings, distributions to noncontrolling interests, EQM's acquisition of the 25% ownership interest in Strike Force Midstream, repurchase and retirement of common stock, cash paid for taxes on share-based incentive awards and dividends paid. For the six months ended June 30, 2017, the primary financing uses of cash were distributions to noncontrolling interests, cash paid for taxes on share-based incentive awards and dividends paid. There was no cash provided by financing activities during the six months ended June 30, 2017.

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The Company may from time to time seek to repurchase its outstanding debt securities. Such repurchases, if any, will depend on prevailing market conditions, the Company's liquidity requirements, contractual and legal restrictions and other factors. In addition, following completion of the Distribution, the Company plans to dispose of its 19.9% retained shares of SpinCo’s common stock, which may include dispositions through one or more exchanges for debt or a sale of the retained shares for cash. The Company expects to use the proceeds from the sale of its retained SpinCo common stock to reduce the Company’s post-Separation debt and fund the stock buyback program.

Refer to Note R for discussion of the share repurchase authorization.

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Security Ratings and Financing Triggers

The table below reflects the credit ratings for debt instruments of the Company at June 30, 2018. Changes in credit ratings may affect the interest rates on the Company’s short-term and floating rate long-term debt and the fees it pays under its lines of credit. These ratings may also affect collateral requirements on derivative instruments, pipeline capacity contracts, joint venture arrangements and subsidiary construction contracts, as well as the rates available on new long-term debt and access to the credit markets.

Rating Service	Senior Notes	Outlook
Moody's	Baa3	Stable
S&P	BBB	Negative
Fitch Ratings Service (Fitch)	BBB-	Stable

The table below reflects the credit ratings for debt instruments of EQM at June 30, 2018. Changes in credit ratings may affect EQM’s cost of short-term debt through interest rates and fees under its lines of credit. These ratings may also affect collateral requirements under joint venture arrangements and subsidiary construction contracts, as well as the rates available on new long-term debt and access to the credit markets.

Rating Service	Senior Notes	Outlook
Moody’s	Ba1	Stable
S&P	BBB-	Stable
Fitch	BBB-	Stable

EQGP and RMP have no long-term debt and are not currently rated by Moody’s, S&P or Fitch.

The Company’s and EQM’s credit ratings are subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating. The Company and EQM cannot ensure that a rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn by a credit rating agency if, in its judgment, circumstances so warrant. If any credit rating agency downgrades the ratings, particularly below investment grade, the Company’s or EQM’s access to the capital markets may be limited, borrowing costs and margin deposits on the Company’s derivative contracts would increase, counterparties may request additional assurances, including collateral, and the potential pool of investors and funding sources may decrease. See Note J to the Condensed Consolidated Financial Statements for further discussion on what is deemed investment grade and a discussion of other factors affecting margin deposit requirements.

The Company’s debt agreements and other financial obligations contain various provisions that could result in termination of the agreements, require early payment of amounts outstanding or similar actions in the event of noncompliance. The most significant covenants and events of default under the debt agreements relate to maintenance of a debt-to-total capitalization ratio, limitations on transactions with affiliates, insolvency events, nonpayment of scheduled principal or interest payments, acceleration of other financial obligations and change of control provisions. The Company’s credit facility contains financial covenants that require a total debt-to-total capitalization ratio of no greater than 65%. The calculation of this ratio excludes the effects of accumulated other comprehensive income (OCI). As of June 30, 2018, the Company was in compliance with all debt provisions and covenants.

EQM’s debt agreements and other financial obligations contain various provisions that could result in termination of the agreements, require early payment of amounts outstanding or similar actions in the event of noncompliance. The most significant covenants and events of default under the debt agreements relate to maintenance of a permitted leverage ratio, limitations on transactions with affiliates, limitations on restricted payments, insolvency events, nonpayment of scheduled principal or interest payments, acceleration of and certain other defaults under other financial obligations and change of control provisions. Under EQM's $1 billion credit facility, EQM is required to maintain a consolidated leverage ratio of not more than 5.00 to 1.00 (or not more than 5.50 to 1.00 for certain measurement periods following the consummation of certain acquisitions). As of June 30, 2018, EQM was in compliance with all debt provisions and covenants.

EQM has a $500 million, 364-day, uncommitted revolving loan agreement with EQT (the 364-Day Facility) that matures on October 24, 2018 and will automatically renew for successive 364-day periods unless EQT delivers a non-renewal notice at least 60 days prior to the then current maturity date. Interest accrues on any outstanding borrowings at an interest rate equal to the rate then applicable to similar loans under EQM's $1 billion credit facility, or a successor revolving credit facility, less the sum of (i) the then applicable commitment fee under EQM's $1 billion credit facility and (ii) 10 basis points. EQM had no borrowings and no letters of credit outstanding under its credit facility as of June 30, 2018. EQM had $180 million in borrowings and no letters of credit outstanding under its credit facility as of December 31, 2017. The maximum amount of outstanding borrowings under EQM's revolving credit facility at any time during the three and six months ended June 30, 2018 was $338 million and $420 million, respectively, and the average daily balance of borrowings outstanding was approximately $122 million and $211 million, respectively. EQM incurred interest at a weighted average annual interest rate of approximately 3.4% and 3.2% for the three and six months ended June 30, 2018. EQM had no borrowings or letters of credit outstanding under its credit facility any time during the three and six months ended June 30, 2017.

EQT expects to terminate the 364-Day Facility at or prior to the Separation. Further, during the third quarter of 2018, EQT expects EQM to increase its $1 billion credit facility to up to $2 billion.

On April 25, 2018, EQM entered into a $2.5 billion unsecured multi-draw 364-day term loan facility with a syndicate of lenders (the EQM Term Loan Facility). The EQM Term Loan Facility was used to fund the cash consideration for the Drop-Down Transaction, to repay borrowings under EQM's $1 billion credit facility and for other general partnership purposes. During the second quarter of 2018, the balance outstanding under the EQM Term Loan Facility was repaid, and the EQM Term Loan Facility was terminated on June 25, 2018 in connection with EQM's issuance of the EQM 2018 Senior Notes (as defined in Note B to the condensed consolidated financial statements). From April 25, 2018 through June 25, 2018, the maximum amount of EQM's outstanding borrowings under the EQM Term Loan Facility at any time was $1,825 million and the average daily balance was approximately $1,231 million. EQM incurred interest at a weighted average annual interest rate of approximately 3.3% for the period from April 25, 2018 through June 25, 2018.

A portion of the net proceeds from the issuance of the EQM 2018 Notes during the second quarter of 2018 was used to repay the outstanding balance under the RMP Credit Agreement as further described in Note B to the Condensed Consolidated Financial Statements.

EQM ATM Program

During 2015, EQM entered into an equity distribution agreement that established an "At the Market" (ATM) common unit offering program, pursuant to which a group of managers acting as EQM's sales agents may sell EQM common units having an aggregate offering price of up to $750 million. EQM had approximately $443 million in remaining capacity under the program as of July 26, 2018.

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Commodity Risk Management

The substantial majority of the Company's commodity risk management program is related to hedging sales of the Company's produced natural gas. The Company's overall objective in this hedging program is to protect cash flow from undue exposure to the risk of changing commodity prices. The derivative commodity instruments currently utilized by the Company are primarily NYMEX swaps, collars and options.

As of July 23, 2018, the approximate volumes and prices of the Company's derivative commodity instruments hedging sales of produced gas for 2018 through 2020 were:

NYMEX Swaps	2018 (a)(b)(c)	2019 (b)(c)	2020 (b)
Total Volume (Bcf)	368	471	365
Average Price per Mcf (NYMEX) (d)	$ 3.08	$2.99	$2.99
Collars			
Total Volume (Bcf)	62	73	—
Average Floor Price per Mcf (NYMEX) (d)	$ 3.28	$3.12	$—
Average Cap Price per Mcf (NYMEX) (d)	$ 3.79	$3.60	$—
Puts (Long)			
Total Volume (Bcf)	4	3	—
Average Floor Price per Mcf (NYMEX)	$ 2.97	$3.15	$—

(a) July through December 31.
(b) The Company also sold calendar year 2018, 2019 and 2020 calls for approximately 53 Bcf, 102 Bcf and 127 Bcf, respectively, at strike prices of $3.46 per Mcf, $3.53 per Mcf and $3.46 per Mcf, respectively. The Company also purchased calendar year 2018, 2019 and 2020 calls for approximately 29 Bcf, 48 Bcf, and 35 Bcf at strike prices of $3.30 per Mcf, $3.37 per Mcf, and $3.36 per Mcf, respectively.
(c) The Company sold calendar year 2018 and 2019 puts for approximately 6 and 3 Bcf at strike prices of $2.92 and $3.15 per Mcf, respectively.
(d) The average price is based on a conversion rate of 1.05 MMBtu/Mcf.

The Company also enters into fixed price natural gas sales agreements that can be physically or financially settled. The difference between these sales prices and NYMEX are included in average differential on the Company's price reconciliation under "Consolidated Operational Data". The Company has fixed price natural gas sales agreements for the remainder of 2018 and 2019 of 62 Bcf and 37 Bcf, respectively, at average NYMEX prices of $2.94 per Mcf and $3.04, respectively. For 2018, the Company has a natural gas sales agreement for approximately 35 Bcf that includes a NYMEX ceiling price of $4.88 per Mcf. For the remainder of 2018, 2019 and 2020, the Company also has a natural gas sales agreement for approximately 4 Bcf, 7 Bcf and 6 Bcf, respectively, that includes a NYMEX floor price of $2.16 per Mcf and a NYMEX ceiling price of $4.47 per Mcf. Currently, the Company has also entered into derivative instruments to hedge basis and a limited number of contracts to hedge its NGLs exposure. The Company may also use other contractual agreements in implementing its commodity hedging strategy.

See Item 3, "Quantitative and Qualitative Disclosures About Market Risk," and Note J to the Company's Condensed Consolidated Financial Statements for further discussion of the Company's hedging program.

Commitments and Contingencies

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against the Company. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company accrues legal and other direct costs related to loss contingencies when actually incurred. The Company has established reserves it believes to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, the Company believes that the ultimate outcome of any matter currently pending against the Company will not materially affect the Company’s financial position, results of operations or liquidity.

Kay Company, LLC, et al. v. EQT Production Company, et al., United States District Court for the Northern District of West Virginia

On January 16, 2013, several royalty owners who have entered into leases with EQT Production Company, a subsidiary of the Company, filed a gas royalty class action in the Circuit Court of Doddridge County, West Virginia. The suit alleges that EQT Production Company and a number of related companies, including the Company, EQT Energy, LLC, EQT Gathering Holdings,

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LLC, EQT Investments Holdings, LLC and EQM, have failed to pay royalties on the fair value of the gas produced from the leases and have taken improper post-production deductions from the royalties paid. The suit seeks compensatory damages, punitive damages, and other relief. EQT denies that it underpaid royalties or that it took improper deductions and is vigorously defending the case.

On May 31, 2013, the EQT defendants removed the lawsuit to federal court. On September 6, 2017, the district court granted the plaintiffs' motion to certify the class and granted plaintiffs' motion for summary judgment, finding that EQT Production Company and its marketing affiliate EQT Energy, LLC are alter egos of one another. The EQT defendants sought immediate appeal of the class certification. On November 30, 2017, the court of appeals declined the request for an immediate review. Trial is scheduled for November 28, 2018. In the event of an adverse judgment, the EQT defendants intend to appeal the class certification, alter ego ruling, and any assessment of liability.

Off-Balance Sheet Arrangements

See Note G to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for further discussion of the MVP Joint Venture guarantee.

Dividend

On July 11, 2018, the Board of Directors of the Company declared a regular quarterly cash dividend of three cents per share, payable September 1, 2018, to the Company's shareholders of record at the close of business on August 10, 2018.

See Notes C, D and E to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for discussion of partnership distributions.

Critical Accounting Policies

The Company's significant accounting policies are described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. Any new accounting policies or updates to existing accounting policies as a result of new accounting pronouncements have been included in the notes to the Company's Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q. The application of the Company's critical accounting policies may require management to make judgments and estimates about the amounts reflected in the Condensed Consolidated Financial Statements. Management uses historical experience and all available information to make these estimates and judgments. Different amounts could be reported using different assumptions and estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk and Derivative Instruments

The Company’s primary market risk exposure is the volatility of future prices for natural gas and NGLs. Due to the volatility of commodity prices, the Company is unable to predict future potential movements in the market prices for natural gas, including Appalachian and other market point basis, and NGLs and thus cannot predict the ultimate impact of prices on its operations. Prolonged low, and/or significant or extended declines in, natural gas and NGLs prices could adversely affect, among other things, the Company’s development plans, which would decrease the pace of development and the level of the Company’s proved reserves. Such changes or similar impacts on third-party shippers on the Company's midstream assets could also impact the Company’s revenues, earnings or liquidity and could result in material non-cash impairments to the recorded value of the Company’s property, plant and equipment.

The Company uses derivatives to reduce the effect of commodity price volatility. The Company’s use of derivatives is further described in Note J to the Condensed Consolidated Financial Statements and under the caption “Commodity Risk Management” in the “Capital Resources and Liquidity” section of Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q. The Company uses derivative commodity instruments that are placed primarily with financial institutions and the creditworthiness of these institutions is regularly monitored. The Company primarily enters into derivative instruments to hedge forecasted sales of production. The Company also enters into derivative instruments to hedge basis and exposure to fluctuations in interest rates. The Company’s use of derivative instruments is implemented under a set of policies approved by the Company’s Hedge and Financial Risk Committee and reviewed by the Audit Committee of the Company’s Board of Directors.

For the derivative commodity instruments used to hedge the Company’s forecasted sales of production, most of which are hedged at NYMEX natural gas prices, the Company sets policy limits relative to the expected production and sales levels which are exposed to price risk. The Company has an insignificant amount of financial natural gas derivative commodity instruments for trading purposes.

The derivative commodity instruments currently utilized by the Company are primarily fixed price swap agreements, collar agreements and option agreements which may require payments to or receipt of payments from counterparties based on the differential between two prices for the commodity. The Company may also use other contractual agreements in implementing its commodity hedging strategy.

The Company monitors price and production levels on a continuous basis and makes adjustments to quantities hedged as warranted. The Company’s overall objective in its hedging program is to protect a portion of cash flows from undue exposure to the risk of changing commodity prices.

For information on the quantity of derivative commodity instruments held by the Company, see Note J to the Condensed Consolidated Financial Statements and the “Commodity Risk Management” section in the “Capital Resources and Liquidity” section of Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q for further discussion.

A hypothetical decrease of 10% in the market price of natural gas from the June 30, 2018 and December 31, 2017 levels would have increased the fair value of these natural gas derivative instruments by approximately $445.1 million and $386.2 million, respectively. A hypothetical increase of 10% in the market price of natural gas from the June 30, 2018 and December 31, 2017 levels would have decreased the fair value of these natural gas derivative instruments by approximately $448.0 million and $384.9 million, respectively. The Company determined the change in the fair value of the derivative commodity instruments using a method similar to its normal determination of fair value as described in Note K to the Condensed Consolidated Financial Statements. The Company assumed a 10% change in the price of natural gas from its levels at June 30, 2018 and December 31, 2017. The price change was then applied to these natural gas derivative commodity instruments recorded on the Company's Consolidated Balance Sheets, resulting in the hypothetical change in fair value.

The above analysis of the derivative commodity instruments held by the Company does not include the offsetting impact that the same hypothetical price movement may have on the Company's physical sales of natural gas. The portfolio of derivative commodity instruments held to hedge the Company's forecasted produced gas approximates a portion of the Company's expected physical sales of natural gas. Therefore, an adverse impact to the fair value of the portfolio of derivative commodity instruments held to hedge the Company's forecasted production associated with the hypothetical changes in commodity prices referenced above should be offset by a favorable impact on the Company's physical sales of natural gas, assuming the derivative commodity instruments are not closed out in advance of their expected term, and the derivative commodity instruments continue to function effectively as hedges of the underlying risk.

If the underlying physical transactions or positions are liquidated prior to the maturity of the derivative commodity instruments, a loss on the financial instruments may occur or the derivative commodity instruments might be worthless as determined by the prevailing market value on their termination or maturity date, whichever comes first.

Interest Rate Risk

Changes in interest rates affect the amount of interest the Company, EQGP and EQM earn on cash, cash equivalents and short-term investments and the interest rates the Company and EQM pay on borrowings under their respective revolving credit facilities and the Company's floating rate notes. All of the Company’s and EQM’s Senior Notes, other than the floating rate notes, are fixed rate and thus do not expose the Company to fluctuations in its results of operations or liquidity from changes in market interest rates. Changes in interest rates do affect the fair value of the Company’s and EQM’s fixed rate debt. See Note M to the Condensed Consolidated Financial Statements for further discussion of the Company’s and EQM’s credit facility borrowings, as applicable, and Note K to the Condensed Consolidated Financial Statements for a discussion of fair value measurements, including the fair value of long-term debt.

Other Market Risks

The Company is exposed to credit loss in the event of nonperformance by counterparties to derivative contracts. This credit exposure is limited to derivative contracts with a positive fair value, which may change as market prices change. The Company’s over-the-counter (OTC) derivative instruments are primarily with financial institutions and, thus, are subject to events that would impact those companies individually as well as that industry as a whole. The Company utilizes various processes and analyses to monitor and evaluate its credit risk exposures. These include closely monitoring current market conditions, counterparty credit fundamentals and credit default swap rates. Credit exposure is controlled through credit approvals and limits based on counterparty credit fundamentals. To manage the level of credit risk, the Company enters into transactions with financial counterparties that are of investment grade, enters into netting agreements whenever possible and may obtain collateral or other security.

Approximately 65%, or $270.3 million, of the Company’s OTC derivative contracts outstanding at June 30, 2018 had a positive fair value. Approximately 63%, or $242.0 million, of the Company’s OTC derivative contracts outstanding at December 31, 2017 had a positive fair value.

As of June 30, 2018, the Company was not in default under any derivative contracts and had no knowledge of default by any counterparty to its derivative contracts. The Company made no adjustments to the fair value of derivative contracts due to credit related concerns outside of the normal non-performance risk adjustment included in the Company’s established fair value procedure. The Company monitors market conditions that may impact the fair value of derivative contracts reported in the Condensed Consolidated Balance Sheets.

The Company is also exposed to the risk of nonperformance by credit customers on physical sales or transportation of natural gas. A significant amount of revenues and related accounts receivable are generated from the sale of produced natural gas and NGLs to certain marketers, utility and industrial customers located mainly in the Appalachian Basin and in markets available through the Company's current transportation portfolio, which includes markets in the Gulf Coast, Midwest and Northeast United States. The Company also contracts with certain processors to market a portion of NGLs on behalf of the Company. Similarly, revenues and related accounts receivable are generated from the gathering, transmission and storage of natural gas in the Appalachian Basin for independent producers, local distribution companies and marketers.

No one lender of the large group of financial institutions in the syndicates for the EQT and EQM credit facilities holds more than 15% of the respective facility. The large syndicate groups and relatively low percentage of participation by each lender are expected to limit the Company’s and EQM's exposure to disruption or consolidation in the banking industry.

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Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including the Company's Principal Executive Officer and Principal Financial Officer, an evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), was conducted as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

As noted under Item 9A, "Controls and Procedures," contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, management's assessment of, and conclusion on, the effectiveness of internal control over financial reporting did not include the internal controls of the entities acquired in the Rice Merger on November 13, 2017. Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting for a period of up to one year following an acquisition while integrating the acquired company. The Company is in the process of integrating Rice's and the Company's internal controls over financial reporting. As a result of these integration activities, certain controls will be evaluated and may be changed. Except as noted above, there were no changes in the Company's internal control over financial reporting that occurred during the second quarter of 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against the Company. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company accrues legal and other direct costs related to loss contingencies when actually incurred. The Company has established reserves it believes to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, the Company believes that the ultimate outcome of any matter currently pending against the Company will not materially affect the financial position, results of operations or liquidity of the Company.

Environmental Proceedings

Allegheny Valley Connector, Cambria County, Pennsylvania

Between September 2015 and February 2016, EQM, as the operator of the Allegheny Valley Connector (AVC) facilities which at that time were owned by the Company, received eight notices of violation (NOVs) from the Pennsylvania Department of Environmental Protection (PADEP). The NOVs alleged violations of the Pennsylvania Clean Streams Law in connection with inadvertent releases of sediment and bentonite to water that occurred while drilling for a pipeline replacement project in Cambria County, Pennsylvania. The Company and EQM immediately addressed the releases and fully cooperated with the PADEP. In October 2016, EQM acquired the AVC facilities from the Company, including any future obligations related to these releases. EQM and the PADEP are currently negotiating the terms of a consent order and agreement and related civil penalty related to the NOVs. While EQM expects the PADEP’s claims to result in penalties that exceed $100,000, the Company expects that the resolution of this matter will not have a material impact on the financial condition, results of operations or liquidity of the Company or EQM, or EQM’s ability to make distributions to its unitholders, including EQGP and the Company.

Other

Kay Company, LLC, et al. v. EQT Production Company, et al., United States District Court for the Northern District of West Virginia

On January 16, 2013, several royalty owners who have entered into leases with EQT Production Company, a subsidiary of the Company, filed a gas royalty class action in the Circuit Court of Doddridge County, West Virginia. The suit alleges that EQT Production Company and a number of related companies, including the Company, EQT Energy, LLC, EQT Gathering Holdings, LLC, EQT Investments Holdings, LLC and EQM, have failed to pay royalties on the fair value of the gas produced from the leases and have taken improper post-production deductions from the royalties paid. The suit seeks compensatory damages, punitive damages, and other relief. EQT denies that it underpaid royalties or that it took improper deductions and is vigorously defending the case.

On May 31, 2013, the EQT defendants removed the lawsuit to federal court. On September 6, 2017, the district court granted the plaintiffs’ motion to certify the class and granted plaintiffs’ motion for summary judgment, finding that EQT Production Company and its marketing affiliate EQT Energy, LLC are alter egos of one another. The EQT defendants sought immediate appeal of the class certification. On November 30, 2017, the court of appeals declined the request for an immediate review. Trial is scheduled for November 28, 2018. In the event of an adverse judgment, the EQT defendants intend to appeal the class certification, alter ego ruling, and any assessment of liability.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, other than the risks described below related to the Midstream Mergers, the Drop-Down Transaction and the Separation and Distribution.

Our plan to separate into two independent publicly-traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

On February 21, 2018, we announced plans to separate into two independent publicly-traded companies. The Separation is subject to approval by our Board of Directors of the final terms of the Separation and Distribution and market, regulatory and certain other conditions. Unanticipated developments, including changes in the competitive conditions of our upstream and midstream businesses, possible delays in obtaining various tax opinions or rulings, regulatory approvals or clearances, the uncertainty of the financial markets and challenges in executing the Separation, could delay or prevent the completion of the proposed Separation, or cause the proposed Separation to occur on terms or conditions that are different or less favorable than expected.

We expect that the process of completing the proposed Separation will be time-consuming and involve significant costs and expenses, which may be significantly higher than what we currently anticipate and may not yield a discernible benefit if the Separation is not completed. Executing the proposed Separation will require significant time and attention from our senior management and employees, which could adversely affect our business, financial results and results of operations. We may also experience increased difficulties in attracting, retaining and motivating employees during the pendency of the Separation and following its completion, which could harm our businesses.

The Separation may not achieve some or all of the anticipated benefits.

We may not realize some or all of the anticipated strategic, financial, operational or other benefits from the Separation. As independent publicly-traded companies, our upstream and midstream businesses will be smaller, less diversified companies with a narrower business focus and may be more vulnerable to changing market conditions, which could materially and adversely affect their respective business, financial condition and results of operations. Further, there can be no assurance that the combined value of the common stock of the two publicly-traded companies will be equal to or greater than what the value of our common stock would have been had the proposed Separation not occurred.

The Separation and Distribution could result in substantial tax liability.

The Separation will be effected by a pro rata distribution to our shareholders of 80.1% of the outstanding stock of a newly-formed corporation that conducts our midstream business and certain related transactions. We intend to obtain (i) a private letter ruling from the U.S. Internal Revenue Service (the IRS) and/or (ii) one or more opinions of outside counsel regarding the qualification of the Distribution, together with certain related transactions, as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the U.S. Internal Revenue Code (the Code) and certain other U.S. federal income tax matters relating to the distribution and certain related transactions. The IRS private letter ruling and/or the opinion of counsel will be based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of us and SpinCo, including those relating to the past and future conduct of us and SpinCo. If any of these representations, statements or undertakings is, or becomes, inaccurate or incomplete, or if we or SpinCo breach any representations or covenants contained in any of the Separation-related agreements and documents or in any documents relating to the IRS private letter ruling and/or the opinion of counsel, the IRS private letter ruling and/or the opinion of counsel may be invalid and the conclusions reached therein could be jeopardized.

Notwithstanding receipt of the IRS private letter ruling and/or the opinion of counsel, the IRS could determine that the Distribution and/or certain related transactions should be treated as taxable transactions for U.S. federal income tax purposes if it determines that any of the representations, assumptions or undertakings upon which the IRS private letter ruling or the opinion of counsel was based are false or have been violated. In addition, any opinion of counsel will represent the judgment of such counsel and is not binding on the IRS or any court and the IRS or a court may disagree with the conclusions in such opinion of counsel. Accordingly, notwithstanding receipt of the IRS private letter ruling and/or any opinion of counsel, there can be no assurance that the IRS will not assert that the Distribution and/or certain related transactions do not qualify for the intended tax treatment or that a court would not sustain such a challenge. In the event the IRS were to prevail with such challenge, we, SpinCo and our shareholders could be subject to material U.S. federal income tax liability.

Even if the Distribution otherwise qualifies as generally tax-free under Section 355 and Section 368(a)(1)(D) of the Code, it would result in a material U.S. federal income tax liability to us (but not to our shareholders) under Section 355(e) of the Code if one or more persons acquire, directly or indirectly, a 50-percent or greater interest (measured by either vote or value) in our stock or in the stock of SpinCo (excluding, for this purpose, the acquisition of stock of SpinCo by holders of our stock in the Distribution) as part of a plan or series of related transactions that includes the Distribution. Any acquisition of our stock or stock of SpinCo (or any predecessor or successor corporation) within two years before or after the Distribution generally would be presumed to be part of a plan that includes the Distribution, although the parties may be able to rebut that presumption under certain circumstances. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual in nature and subject to a comprehensive analysis of the facts and circumstances of the particular case. Notwithstanding the IRS private letter ruling or any opinion of counsel described above, we or SpinCo may cause or permit a change in ownership of our stock or stock of SpinCo sufficient to result in a material tax liability to us.

In connection with the Distribution and to effect the Separation, we expect to effect certain restructuring transactions that are expected to be taxable to us (but not our shareholders) and to result in a material tax liability, which we expect to be offset in part by certain tax attributes.

We may determine to forgo certain transactions in order to avoid the risk of incurring material tax-related liabilities.

As a result of requirements of Section 355 of the Code and/or other applicable tax laws, we may determine to forgo certain transactions that would otherwise be advantageous. In particular, we may determine to continue to operate certain of our business operations for the foreseeable future even if a sale or discontinuance of such business would otherwise be advantageous. Moreover, in light of the requirements of Section 355(e) of the Code, we may determine to forgo certain transactions, including share repurchases, stock issuances, certain asset dispositions and other strategic transactions, for some period of time following the Separation.

Failure to successfully combine the businesses of EQM and RMP in the expected time frame may adversely affect the future results of the combined organization and our ability to achieve the intended benefits of the Midstream Mergers and the Drop-Down Transaction.

The success of the Midstream Mergers will depend, in part, on the ability of EQM to realize the anticipated benefits and synergies from combining the business of EQM and RMP. To realize these anticipated benefits, the businesses must be successfully combined. If the combined organization is not able to achieve these objectives, or is not able to achieve these objectives on a timely basis, the anticipated benefits of the Midstream Mergers may not be realized fully or at all. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the Midstream Mergers. There can be no assurance that the Midstream Mergers or the Drop-Down Transaction will deliver the strategic, financial and operational benefits anticipated by the parties to the transactions. Our and EQM's business may be negatively impacted if EQM is unable to effectively manage its expanded operations.

The proposed Separation may result in disruptions to, and negatively impact our relationships with, our customers and other business partners.

Uncertainty related to the proposed Separation may lead customers and other parties with which we currently do business or may do business in the future to terminate or attempt to negotiate changes in existing business relationships, or consider entering into business relationships with parties other than us. These disruptions could have a material and adverse effect on our business, financial condition, results of operations and prospects. Further, the effect of such disruptions could be exacerbated by any delays in the completion of the Separation.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth the Company's repurchases of equity securities registered under Section 12 of the Exchange Act that have occurred during the three months ended June 30, 2018:

Period	Total number of shares purchased (a)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs (b) (c)
April 2018 (April 1 – April 30)	3,109	$ 51.14	—	700,000
May 2018 (May 1 – May 31)	961	51.87	—	700,000
June 2018 (June 1 – June 30)	344	54.58	700,000	—
Total	4,414	$ 51.57	700,000	—

(a) Reflects shares withheld by the Company to pay taxes upon vesting of restricted stock.

(b) On April 30, 2014, the Company's Board of Directors approved a share repurchase authorization of up to 1,000,000 shares of the Company's outstanding common stock. Pursuant to the share repurchase authorization, the Company may repurchase shares from time to time in open market or in privately negotiated transactions. The share repurchase authorization does not obligate the Company to acquire any specific number of shares, has no pre-established end date and may be discontinued by the Company at any time. As of June 30, 2018, the Company had repurchased all remaining shares permitted to be purchased under this authorization.

(c) On July 11, 2018, the Company's Board of Directors approved a share repurchase authorization to repurchase shares of the Company's outstanding common stock for an aggregate purchase price of not more than $500 million. Pursuant to the share repurchase authorization, the Company may repurchase shares from time to time in open market or in privately negotiated transactions. The share repurchase authorization does not obligate the Company to acquire any specific number of shares, has no pre-established end date and may be discontinued by the Company at any time. The Company has not repurchased any shares under this authorization since its inception.

Item 6. Exhibits

Exhibit No.	Description	Method of Filing
2.01	Agreement and Plan of Merger, dated as of April 25, 2018, by and among EQT Midstream Partners, LP, EQT Midstream Services, LLC, EQM Acquisition Sub, LLC, EQM GP Acquisition Sub, LLC, Rice Midstream Partners LP, Rice Midstream Management LLC and, solely for the purposes of certain provisions therein, the Company. The Company will furnish supplementally a copy of any omitted schedule and similar attachment to the SEC upon request.	Incorporated herein by reference to Exhibit 2.1 to Form 8-K (#001-3551) filed on April 26, 2018.
2.02	Incentive Distribution Rights Purchase and Sale Agreement, dated as of April 25, 2018, by and among EQT GP Holdings, LP, Rice Midstream GP Holdings LP and the Company.	Incorporated by reference herein to Exhibit 2.3 to Form 8-K (#001-3551) filed on April 26, 2018.
2.03	Contribution and Sale Agreement, dated as of April 25, 2018, by and among the Company, Rice Midstream Holdings LLC, EQT Midstream Partners, LP and EQM Gathering Holdings, LLC. The Company will furnish supplementally a copy of any omitted schedule and similar attachment to the SEC upon request.	Incorporated herein by reference to Exhibit 2.2 to Form 8-K (#001-3551) filed on April 26, 2018.
4.01	Third Supplemental Indenture, dated as of June 25, 2018, by and between EQT Midstream Partners, LP, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference herein to Exhibit 4.2 to EQT Midstream Partners, LP's Form 8-K (#001-35574) filed on June 25, 2018.
4.02	Fourth Supplemental Indenture, dated as of June 25, 2018, by and between EQT Midstream Partners, LP, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference herein to Exhibit 4.4 to EQT Midstream Partners, LP's Form 8-K (#001-35574) filed on June 25, 2018.
4.03	Fifth Supplemental Indenture, dated as of June 25, 2018, by and between EQT Midstream Partners, LP, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference herein to Exhibit 4.6 to EQT Midstream Partners, LP's Form 8-K (#001-35574) filed on June 25, 2018.
31.01	Rule 13(a)-14(a) Certification of Principal Executive Officer	Filed herewith as Exhibit 31.01
31.02	Rule 13(a)-14(a) Certification of Principal Financial Officer	Filed herewith as Exhibit 31.02

32	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer	Furnished herewith as Exhibit 32
101	Interactive Data File	Filed herewith as Exhibit 101

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQT CORPORATION
(Registrant)

By: /s/ Robert J. McNally
Robert J. McNally
Senior Vice President and Chief Financial Officer

Date: July 26, 2018