

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2020

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 001-38629

EQUITRANS MIDSTREAM CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation or organization)

83-0516635

(IRS Employer Identification No.)

2200 Energy Drive, Canonsburg, Pennsylvania 15317

(Address of principal executive offices) (Zip code)

(724) 271-7600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, no par value	ETRN	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 30, 2020, 229,330 shares of common stock (in thousands), no par value, of the registrant were outstanding.

EXPLANATORY NOTE

As previously disclosed on Equitrans Midstream Corporation's (the Company or Equitrans Midstream) Current Report on Form 8-K filed with the Securities and Exchange Commission (SEC) on April 29, 2020, the filing of this Quarterly Report on Form 10-Q for the period ended March 31, 2020 (the Quarterly Report) was delayed due to circumstances related to the coronavirus 2019 (COVID-19) pandemic. During the first quarter of 2020, the Company completed the implementation of the first phase of a new enterprise resources planning (ERP) system, which included, among other things, the cutover of a substantial majority of the Company's financial systems. The COVID-19 pandemic has resulted in very limited access to the Company's facilities, primarily due to (i) a mandatory work-from-home directive initiated by the Company's management for substantially all of the Company's workforce beginning on March 13, 2020 to ensure the safety of the Company's workforce and contractors as well as the Company's assets, and (ii) a state-wide stay-at-home order issued by the Governor of the Commonwealth of Pennsylvania on April 1, 2020, which have disrupted the timing of planned ERP system training for the Company's workforce and contractors involved in the preparation of this Quarterly Report. The Company relied on the SEC's March 25, 2020 Order (Release No. 34-88465) pursuant to Section 36 of the Securities Exchange Act of 1934, as amended (Exchange Act), to delay the filing of this Quarterly Report.

EQUITRANS MIDSTREAM CORPORATION

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EQUITRANS MIDSTREAM CORPORATION

Glossary of Commonly Used Terms, Abbreviations and Measurements

Allowance for Funds Used During Construction (AFUDC) – carrying costs for the construction of certain long-lived regulated assets are capitalized and amortized over the related assets' estimated useful lives. The capitalized amount for construction of regulated assets includes interest cost and a designated cost of equity for financing the construction of these regulated assets.

Appalachian Basin – the area of the United States composed of those portions of West Virginia, Pennsylvania, Ohio, Maryland, Kentucky and Virginia that lie in the Appalachian Mountains.

associated gas – natural gas that is produced as a byproduct of principally oil production activities.

British thermal unit – a measure of the amount of energy required to raise the temperature of one pound of water one-degree Fahrenheit.

EQGP – EQGP Holdings, LP (formerly known as EQT GP Holdings, LP) and its subsidiaries.

EQM – EQM Midstream Partners, LP (formerly known as EQT Midstream Partners, LP) (NYSE: EQM) and its subsidiaries.

EQT – EQT Corporation (NYSE: EQT) and its subsidiaries.

firm contracts – contracts for gathering, transmission, storage and water services that reserve an agreed upon amount of pipeline or storage capacity regardless of the capacity used by the customer during each month, and generally obligate the customer to pay a fixed, monthly charge.

firm reservation fee revenues – contractually obligated revenues that include fixed monthly charges under firm contracts and fixed volumetric charges under MVC (defined below) contracts.

gas – natural gas.

Minimum volume commitments (MVC or MVCs) – contracts for gathering or water services that obligate the customer to pay for a fixed amount of volumes either monthly, annually or over the life of the contract.

Mountain Valley Pipeline (MVP) – an estimated 300 mile, 42-inch diameter natural gas interstate pipeline with a targeted capacity of 2.0 Bcf per day that will span from the Company's existing transmission and storage system in Wetzel County, West Virginia to Pittsylvania County, Virginia, providing access to the growing Southeast demand markets.

Mountain Valley Pipeline, LLC (MVP Joint Venture) – a joint venture among EQM and, as applicable, affiliates of each of NextEra Energy, Inc., Consolidated Edison, Inc. (Con Edison), AltaGas Ltd. and RGC Resources, Inc. that is constructing the MVP and the MVP Southgate (defined below).

MVP Southgate – a proposed 75-mile interstate pipeline that will extend from the MVP at Pittsylvania County, Virginia to new delivery points in Rockingham and Alamance Counties, North Carolina.

Preferred Interest – the preferred interest that EQM has in EQT Energy Supply, LLC (EES), a subsidiary of EQT.

Separation – the separation of EQT's midstream business, which was composed of the separately-operated natural gas gathering, transmission and storage and water services operations of EQT, from EQT's upstream business, which was composed of the natural gas, oil and natural gas liquids development, production and sales and commercial operations of EQT, which occurred on the Separation Date (defined below).

Separation Date – November 12, 2018.

throughput – the volume of natural gas transported or passing through a pipeline, plant, terminal or other facility during a particular period.

wellhead – the equipment at the surface of a well used to control the well's pressure and the point at which the hydrocarbons and water exit the ground.

Unless context otherwise requires, a reference to a "Note" herein refers to the accompanying Notes to Consolidated Financial Statements contained in "Item 1. Financial Statements."

Abbreviations	Measurements
ASC – Accounting Standards Codification	Btu = one British thermal unit
ASU – Accounting Standards Update	BBtu = billion British thermal units
FASB – Financial Accounting Standards Board	Bcf = billion cubic feet
FERC – U.S. Federal Energy Regulatory Commission	Mcf = thousand cubic feet
GAAP – United States Generally Accepted Accounting Principles	MMBtu = million British thermal units
IDRs – incentive distribution rights	MMcf = million cubic feet
NYMEX – New York Mercantile Exchange	MMgal = million gallons
NYSE – New York Stock Exchange	
SEC – U.S. Securities and Exchange Commission	

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

EQUITRANS MIDSTREAM CORPORATION
Statements of Consolidated Comprehensive Income (Unaudited)

	Three Months Ended March 31,	
	2020	2019
	(Thousands, except per share amounts)	
Operating revenues ^(a)	\$ 453,113	\$ 389,782
Operating expenses:		
Operating and maintenance ^(b)	38,422	27,883
Selling, general and administrative ^(b)	29,739	32,178
Separation and other transaction costs	11,360	8,782
Depreciation	61,348	50,511
Amortization of intangible assets	14,581	10,387
Impairments of long-lived assets ^(c)	55,581	—
Total operating expenses	211,031	129,741
Operating income	242,082	260,041
Equity income ^(d)	54,072	31,063
Other income ^(e)	4,163	1,861
Loss on early extinguishment of debt	24,864	—
Net interest expense ^(f)	66,754	60,949
Income before income taxes	208,699	232,016
Income tax expense	19,139	32,450
Net income	189,560	199,566
Net income attributable to noncontrolling interests	119,828	143,267
Net income attributable to Equitrans Midstream	\$ 69,732	\$ 56,299
Earnings per share of common stock attributable to Equitrans Midstream - basic ^(g)	\$ 0.28	\$ 0.22
Earnings per share of common stock attributable to Equitrans Midstream - diluted ^(g)	\$ 0.28	\$ 0.22
Weighted average common shares outstanding - basic	248,591	254,776
Weighted average common shares outstanding - diluted	248,591	254,827
Statement of comprehensive income (loss):		
Net income	\$ 189,560	\$ 199,566
Other comprehensive income (loss), net of tax:		
Pension and other post-retirement benefits liability adjustment, net of tax expense of \$10 and \$8	30	(295)
Other comprehensive income (loss)	30	(295)
Comprehensive income	189,590	199,271
Less: Comprehensive income attributable to noncontrolling interests	119,828	143,267
Comprehensive income attributable to Equitrans Midstream	\$ 69,762	\$ 56,004
Dividends declared per common share	\$ 0.15	\$ 0.45

(a) Operating revenues included related party revenues from EQT of approximately \$303.8 million and \$284.5 million for the three months ended March 31, 2020 and 2019, respectively. See Note 7.

(b) Operating and maintenance expense included charges to EQT of approximately \$2.4 million for the three months ended March 31, 2019. Selling, general and administrative expense included charges from EQT of approximately \$1.0 million for the three months ended March 31, 2019. See Notes 1 and 7.

(c) See Note 4 for disclosure regarding impairments of long-lived assets.

(d) Represents equity income from the MVP Joint Venture. See Note 8.

(e) See Note 10 for disclosures regarding derivative instruments.

(f) Net interest expense included interest income on the Preferred Interest in EES of approximately \$1.5 million and \$1.6 million for the three months ended March 31, 2020 and 2019, respectively.

(g) See Note 11 for disclosure regarding the Company's calculation of net income per share of common stock (basic and diluted).

The accompanying notes are an integral part of these consolidated financial statements.

EQUITRANS MIDSTREAM CORPORATION
Statements of Consolidated Cash Flows (Unaudited)

	Three Months Ended March 31,	
	2020	2019
	(Thousands)	
Cash flows from operating activities:		
Net income	\$ 189,560	\$ 199,566
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	61,348	50,511
Amortization of intangible assets	14,581	10,387
Deferred income taxes	18,710	32,450
Impairments of long-lived assets ^(a)	55,581	—
Equity income ^(b)	(54,072)	(31,063)
Other income	(4,306)	(1,997)
Loss on early extinguishment of debt	24,864	—
Share-based compensation plans	4,541	1,108
Changes in other assets and liabilities:		
Accounts receivable	(998)	(9,989)
Accounts payable	6,067	(47,827)
Accrued interest	(28,793)	(38,828)
Other assets and other liabilities	(37,780)	(42,117)
Net cash provided by operating activities	249,303	122,201
Cash flows from investing activities:		
Capital expenditures	(152,392)	(208,966)
Capital contributions to the MVP Joint Venture	(45,150)	(144,763)
Principal payments received on the Preferred Interest	1,225	1,141
Net cash used in investing activities	(196,317)	(352,588)
Cash flows from financing activities:		
Proceeds from revolving credit facility borrowings	1,170,000	684,000
Payments on revolving credit facility borrowings	(350,000)	(230,500)
Payment for retirement of long-term debt	(594,000)	—
Payments for credit facility amendment fees	(2,740)	(1,500)
Distributions paid to noncontrolling interest unitholders	(96,526)	(94,030)
Distributions paid to EQM Series A Preferred unitholders	(25,501)	—
Dividends paid	(114,254)	(104,251)
Cash Shares and Cash Amount (defined in Note 6)	(52,323)	—
Purchase of EQGP common units	—	(238,455)
Net cash (used in) provided by financing activities	(65,344)	15,264
Net change in cash, restricted cash and cash equivalents	(12,358)	(215,123)
Cash, restricted cash and cash equivalents at beginning of period	88,322	294,172
Cash, restricted cash and cash equivalents at end of period ^(c)	\$ 75,964	\$ 79,049
Cash paid during the period for:		
Interest, net of amount capitalized	\$ 94,343	\$ 98,470
Non-cash activity during the period for:		
Contract liability	\$ 128,314	\$ —

(a) See Note 4 for disclosure regarding impairments of long-lived assets.

(b) Represents equity income from the MVP Joint Venture. See Note 8.

(c) Includes \$29.0 million of cash and cash equivalents and \$50.0 million of cash escrowed as of March 31, 2019 associated with the Bolt-on Acquisition (as defined in Note 3).

The accompanying notes are an integral part of these consolidated financial statements.

EQUITRANS MIDSTREAM CORPORATION
Consolidated Balance Sheets (Unaudited)

	March 31, 2020	December 31, 2019
	(Thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75,964	\$ 88,322
Accounts receivable (net of allowance for credit losses of \$3,053 and allowance for doubtful accounts of \$285 as of March 31, 2020 and December 31, 2019, respectively) ^{(a)(b)}	253,161	255,344
Other current assets	39,308	31,546
Total current assets	368,433	375,212
Property, plant and equipment	8,573,862	8,583,124
Less: accumulated depreciation	(823,100)	(859,157)
Net property, plant and equipment	7,750,762	7,723,967
Investment in unconsolidated entity	2,465,827	2,324,108
Goodwill	486,698	486,698
Net intangible assets	765,205	797,439
Deferred income taxes	45,396	90,597
Other assets	307,356	243,688
Total assets	\$ 12,189,677	\$ 12,041,709
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ —	\$ 6,000
Accounts payable	109,151	128,114
Capital contributions payable to the MVP Joint Venture	87,647	45,150
Accrued interest	44,662	73,455
Accrued liabilities	51,677	83,238
Total current liabilities	293,137	335,957
Revolving credit facility borrowings ^(c)	1,722,500	902,500
EQM long-term debt	4,860,096	4,859,499
Long-term debt	—	562,484
Contract liability ^(d)	173,005	—
Regulatory and other long-term liabilities	96,621	99,189
Total liabilities	7,145,359	6,759,629
Equity:		
Common stock, no par value, 229,352 and 254,745 shares issued and outstanding as of March 31, 2020 and December 31, 2019, respectively	1,297,304	1,292,804
Retained deficit	(858,440)	(618,062)
Accumulated other comprehensive loss	(1,996)	(2,026)
Total common shareholders' equity	436,868	672,716
Noncontrolling interests	4,607,450	4,609,364
Total shareholders' equity	5,044,318	5,282,080
Total liabilities and shareholders' equity	\$ 12,189,677	\$ 12,041,709

(a) Accounts receivable as of March 31, 2020 and December 31, 2019 included approximately \$183.4 million and \$175.2 million, respectively, of related party accounts receivable from EQT.

(b) See Note 1 for a discussion of the adoption of ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*.

(c) As of March 31, 2020, the Company had aggregate borrowings outstanding of approximately \$1,430 million and \$293 million on the Amended EQM Credit Facility and the Eureka Credit Facility, respectively (as each is defined in Note 9). As of December 31, 2019, the Company had aggregate borrowings outstanding of approximately \$610 million and \$293 million on the Amended EQM Credit Facility and the Eureka Credit Facility, respectively. The Company had no borrowings outstanding under the Equitrans Midstream Credit Facility as of December 31, 2019. See Note 9 for further detail.

(d) See Note 6 for disclosure regarding the Company's contract liabilities.

The accompanying notes are an integral part of these consolidated financial statements.

EQUITRANS MIDSTREAM CORPORATION
Statements of Consolidated Equity (Unaudited)

	<u>Common Stock</u>		Retained Earnings (Deficit)	Accumulated		Noncontrolling Interests	Total Equity
	Shares	No		Comprehensive	Other		
	Outstanding	Par Value		Loss	Loss		
(Thousands, except per share and unit amounts)							
Balance at January 1, 2019	254,271	\$ 425,370	\$ 33,932	\$ (1,509)	\$ 4,801,840	\$ 5,259,633	
Other comprehensive income (net of tax):							
Net income	—	—	56,299	—	143,267	199,566	
Pension and other post-retirement benefits liability adjustment, net of tax expense of \$8	—	—	316	(295)	—	21	
Dividends (\$0.41 per share)	—	—	(104,251)	—	—	(104,251)	
Share-based compensation plans	413	853	—	—	255	1,108	
Distributions paid to noncontrolling interest unitholders (\$1.13 per common unit for EQM)	—	—	—	—	(94,030)	(94,030)	
Purchase of EQGP common units	—	(38,648)	—	—	(199,807)	(238,455)	
Net changes in ownership of consolidated entities (See Note 2)	—	991,098	—	—	(1,337,641)	(346,543)	
Balance at March 31, 2019	254,684	\$ 1,378,673	\$ (13,704)	\$ (1,804)	\$ 3,313,884	\$ 4,677,049	

	<u>Common Stock</u>		Retained Earnings (Deficit)	Accumulated		Noncontrolling Interests	Total Equity
	Shares	No		Comprehensive	Other		
	Outstanding	Par Value		Loss	Loss		
(Thousands, except per share and unit amounts)							
Balance at January 1, 2020	254,745	\$ 1,292,804	\$ (618,062)	\$ (2,026)	\$ 4,609,364	\$ 5,282,080	
Other comprehensive income (net of tax):							
Net income	—	—	69,732	—	119,828	189,560	
Pension and other post-retirement benefits liability adjustment, net of tax expense of \$10	—	—	—	30	—	30	
Dividends (\$0.45 per share)	(178)	—	(115,400)	—	—	(115,400)	
Share-based compensation plans	85	4,500	—	—	285	4,785	
Distributions paid to noncontrolling interest unitholders (\$1.16 per common unit for EQM)	—	—	—	—	(96,526)	(96,526)	
Distributions paid to holders of EQM Series A Preferred Units (\$1.0364 per Series A Preferred Unit (as defined in Note 1))	—	—	—	—	(25,501)	(25,501)	
Share Purchase Agreements (as defined in Note 6)	(25,300)	—	(190,992)	—	—	(190,992)	
Adoption of Topic 326 (as defined in Note 1)	—	—	(3,718)	—	—	(3,718)	
Balance at March 31, 2020	229,352	\$ 1,297,304	\$ (858,440)	\$ (1,996)	\$ 4,607,450	\$ 5,044,318	

The accompanying notes are an integral part of these consolidated financial statements.

EQUITRANS MIDSTREAM CORPORATION
Notes to Consolidated Financial Statements (Unaudited)

1. Financial Statements

Organization. On November 12, 2018, Equitrans Midstream Corporation (the Company or Equitrans Midstream), EQT and, for certain limited purposes, EQT Production Company, a wholly owned subsidiary of EQT, entered into a Separation and Distribution Agreement (the Separation and Distribution Agreement), pursuant to which, among other things, EQT effected the Separation, including the transfer of certain assets and liabilities to Equitrans Midstream, and distributed 80.1% of the then outstanding shares of common stock, no par value, of Equitrans Midstream (Equitrans Midstream common stock) to EQT shareholders of record as of the close of business on November 1, 2018 (the Distribution). The Distribution was effective at 11:59 p.m., Eastern Time, on the Separation Date. As part of the Separation, EQT retained the remaining 19.9% of the outstanding shares in Equitrans Midstream.

EQM Merger. On February 26, 2020, the Company, EQM LP Corporation, a wholly owned subsidiary of the Company (EQM LP), LS Merger Sub, LLC, a wholly owned subsidiary of EQM LP (Merger Sub), EQM, and EQGP Services, LLC, the general partner of EQM (the EQM General Partner), entered into an Agreement and Plan of Merger (the EQM Merger Agreement), pursuant to which Merger Sub will merge with and into EQM (the EQM Merger), with EQM continuing and surviving as a wholly owned subsidiary of the Company following the EQM Merger. Following the EQM Merger, EQM will no longer be a publicly traded entity. The Company expects the EQM Merger to close in June 2020, subject to customary closing conditions, including approvals of EQM's limited partners and the Company's shareholders. See Note 3 for further information on the EQM Merger.

Preferred Restructuring Agreement. In addition, on February 26, 2020, the Company and EQM entered into a Preferred Restructuring Agreement (the Restructuring Agreement) with all of the holders of Series A Perpetual Convertible Preferred Units representing limited partner interests in EQM (such units, Series A Preferred Units and, such investors, collectively, the Investors), pursuant to which the parties thereto agreed that: (i) EQM will redeem \$600 million aggregate principal amount of the Investors' Series A Preferred Units issued and outstanding immediately prior to the Restructuring Closing (as defined in Note 2) for cash at 101% of the Series A Preferred Unit Purchase Price (as defined in Note 2) plus any accrued and unpaid distribution amounts and partial period distribution amounts, and (ii) after giving effect to such redemption, each remaining issued and outstanding Series A Preferred Unit will be exchanged for 2.44 shares of a newly authorized and created series of preferred stock, without par value, of Equitrans Midstream, convertible into Equitrans Midstream common stock (the Equitrans Midstream Preferred Shares) on a one for one basis (the Equitrans Midstream Private Placement), in each case, in connection with the occurrence of the "Series A Change of Control" (as defined in the Fourth Amended and Restated Agreement of Limited Partnership of EQM (as amended, the EQM Partnership Agreement)) that will occur upon the closing of the EQM Merger (collectively, the Restructuring). The Restructuring is expected to close substantially concurrent with the closing of the EQM Merger, subject to the delivery of certain closing deliverables and certain closing conditions. See Note 2 for further information on the Restructuring Agreement.

Basis of Presentation. References in these financial statements to Equitrans Midstream or the Company refer collectively to Equitrans Midstream Corporation and, as applicable, its consolidated subsidiaries for all periods presented.

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and with the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, these unaudited consolidated financial statements include all adjustments (consisting of only normal, recurring adjustments, unless otherwise disclosed in this Quarterly Report on Form 10-Q) necessary for a fair presentation of the financial position of the Company as of March 31, 2020 and December 31, 2019, the results of its operations and equity for the three months ended March 31, 2020 and 2019 and its cash flows for the three months ended March 31, 2020 and 2019. The consolidated balance sheet at December 31, 2019 has been derived from the audited financial statements at that date but does not include all of the information and notes required by GAAP for complete financial statements. This Quarterly Report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2019, which includes all disclosures required by GAAP.

Due to the seasonal nature of EQM's utility customer contracts, the interim statements for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020.

For further information, refer to the Company's annual consolidated financial statements and related notes in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard amended guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, this standard eliminated the probable initial recognition threshold in then current GAAP, and, in its place, requires an entity to recognize its current estimate of all expected credit losses. The amendments affected loans, debt securities, trade receivables, contract assets, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope of the standard that have the contractual right to receive cash. In May 2019, the FASB issued ASU 2019-05, *Financial Instruments – Credit Losses (Topic 326)*. The update provides entities with targeted transition relief that is intended to increase comparability of financial statement information for some entities that otherwise would have measured similar financial instruments using different measurement methodologies. In November 2019, the FASB issued ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*. The update clarifies and addresses stakeholders' specific issues in ASU 2016-13.

The Company adopted the standard on January 1, 2020, using the modified retrospective method for all financial assets recorded at amortized cost. Results for reporting periods beginning after January 1, 2020 are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Company's current expected credit loss (CECL) methodology considers risks of collection based on a customer's current credit status. The standard requires an entity to assess whether financial assets share similar risk characteristics and, if so, group such assets in a pool. Customer balances are aggregated for evaluation based on their credit risk rating, which takes into account changes in economic factors that impact a customer's ability to meet its financial obligations. The Company's CECL methodology assigns a reserve, even if remote, to each customer based on credit risk. The table below summarizes the changes in the allowance for credit losses by outstanding receivable for the three months ended March 31, 2020:

	Accounts Receivable	Contract Asset ^(a)	Preferred Interest in EES ^(b)	Total
Balance at December 31, 2019	\$ (285)	\$ —	\$ —	\$ (285)
Adoption of Topic 326	(2,708)	—	(1,010)	(3,718)
Provision for expected credit losses	(60)	(116)	(11)	(187)
Balance at March 31, 2020	\$ (3,053)	\$ (116)	\$ (1,021)	\$ (4,190)

(a) Included in other current assets in the consolidated balance sheets.

(b) Included in other assets in the consolidated balance sheets.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement, Changes to the Disclosure Requirements for Fair Value Measurement*, which makes a number of changes to the hierarchy associated with Level 1, 2 and 3 fair value measurements and the related disclosure requirements. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company adopted this standard on January 1, 2020. The adoption of this standard did not have an impact on the Company's financial statements.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*, which enhances and simplifies various aspects of the income tax accounting guidance including the elimination of certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The guidance will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. The Company early-adopted the standard in the first quarter of 2020 with no significant effect on its financial statements or related disclosures.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848)*, which provides practical expedients for contract modifications and certain hedging relationships associated with the transition from reference rates that are expected to be discontinued. This guidance is applicable for the Amended EQM Credit Facility, the Amended 2019 EQM Term Loan Agreement and the Eureka Credit Facility, which use the London Inter-Bank Offered Rate (LIBOR) as a reference rate, and is effective immediately, but is only available through December 31, 2022. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements.

2. Investments in Consolidated, Non-Wholly Owned Entities

Investment in EQGP

EQGP Unit Purchases. On December 31, 2018, the Company closed on the acquisition of an aggregate of 14,560,281 common units representing limited partner interests in EQGP (EQGP common units) pursuant to certain unit purchase agreements with funds managed by Neuberger Berman Investment Adviser LP, funds managed by Goldman Sachs Asset Management, L.P., funds managed by Cushing Asset Management, LP, funds managed by Kayne Anderson Capital Advisors, L.P., and ZP Energy Fund, L.P. (the Initial Unit Purchase Closing) for an aggregate purchase price of \$291.2 million.

On January 2, 2019 and January 3, 2019, the Company closed on the acquisition of an additional 804,140 EQGP common units purchased pursuant for an aggregate purchase price of \$16.1 million (together with the Initial Unit Purchase Closing on December 31, 2018, the EQGP Unit Purchases).

Limited Call Right. Following the Initial Unit Purchase Closing, on December 31, 2018, the Company exercised a limited call right under EQGP's partnership agreement pursuant to which, on January 10, 2019, the Company closed on the acquisition of the remaining 11,097,287 outstanding EQGP common units not owned by the Company or its affiliates for an aggregate purchase price of \$221.9 million (such acquisition, together with the EQGP Unit Purchases, the EQGP Buyout), and EQGP became a wholly owned subsidiary of the Company.

In connection with the completion of the EQGP Buyout on January 10, 2019, certain non-employee members of the Board of Directors of EQGP's general partner at the time stepped down from their roles and were paid \$20.00 for each EQGP phantom unit that they held, which was the same purchase price paid by the Company for the units purchased in the EQGP Buyout. The total amount in the aggregate was 29,829 EQGP phantom units, including accrued distributions.

Termination of the EQGP Omnibus Agreement and EQGP Working Capital Facility. On January 10, 2019, in connection with the completion of the EQGP Buyout, EQGP's omnibus agreement with Equitrans Midstream and certain other parties and EQGP's \$20 million working capital facility with the Company (the EQGP Working Capital Facility) were terminated. In connection with the termination of the EQGP Working Capital Facility, the Company agreed that all loans and other amounts outstanding and all other obligations of EQGP to the Company under the EQGP Working Capital Facility were deemed forgiven, satisfied, discharged and paid in full.

Investment in EQM

EQM IDR Transaction. On February 22, 2019, Equitrans Midstream completed a simplification transaction pursuant to that certain Agreement and Plan of Merger, dated as of February 13, 2019, by and among Equitrans Midstream and certain related parties, pursuant to which, among other things, (i) Equitrans Merger Sub, LP merged with and into EQGP (the IDR Merger) with EQGP continuing as the surviving limited partnership and a wholly owned subsidiary of EQM, and (ii) each of (a) the IDRs in EQM, (b) the economic portion of the general partner interest in EQM and (c) the issued and outstanding common units representing limited partner interest in EQGP were canceled, and, as consideration for such cancellation, certain affiliates of the Company received on a pro rata basis 80,000,000 newly-issued EQM common units and 7,000,000 newly-issued Class B units, both representing limited partner interests in EQM (EQM common units and Class B units, respectively), and the EQM General Partner retained the non-economic general partner interest in EQM (such transactions, collectively, the EQM IDR Transaction). Additionally, as part of the EQM IDR Transaction, 21,811,643 EQM common units held by EQGP were canceled and 21,811,643 EQM common units were issued pro rata to certain subsidiaries of Equitrans Midstream. As a result of the EQM IDR Transaction, the EQM General Partner replaced EQM Midstream Services, LLC as the new general partner of EQM.

The Class B units are substantially similar in all respects to EQM's common units, except that the Class B units are not entitled to receive distributions of available cash until the applicable Class B unit conversion date (or, if earlier, a change of control). The Class B units are divided into three tranches, with the first tranche of 2,500,000 Class B units becoming convertible at the holder's option into EQM common units on April 1, 2021, the second tranche of 2,500,000 Class B units becoming convertible on April 1, 2022, and the third tranche of 2,000,000 Class B units becoming convertible on April 1, 2023 (each, a Class B unit conversion date). Additionally, the Class B units will become convertible at the holder's option into EQM common units immediately before a change of control of EQM. After the applicable Class B unit conversion date (or, if earlier, a change of control), whether or not such Class B units have been converted into EQM common units, the Class B units will participate pro rata with the EQM common units in distributions of available cash.

The holders of Class B units vote together with the holders of EQM common units as a single class, except that Class B units owned by the general partner of EQM and its affiliates are excluded from voting if EQM common units owned by such parties are excluded from voting. Holders of Class B units are entitled to vote as a separate class on any matter that adversely affects

the rights or preferences of the Class B units in relation to other classes of EQM partnership interests in any material respect or as required by law.

After giving effect to the EQM IDR Transaction, including the issuance of Class B units, Equitrans Gathering Holdings, LLC (Equitrans Gathering Holdings), EQM GP Corporation (EQM GP Corp) and Equitrans Midstream Holdings, LLC (EMH), each a wholly owned subsidiary of Equitrans Midstream, held 89,505,616, 89,536 and 27,650,303 EQM common units, respectively. Additionally, Equitrans Gathering Holdings, EQM GP Corp and EMH held 6,153,907, 6,155 and 839,938 Class B units, respectively. As of March 31, 2020, the Company, through such subsidiaries, owned 117,245,455 EQM common units and 7,000,000 Class B units (collectively representing a 59.9% limited partner interest in EQM, excluding the Series A Preferred Units) and the entire non-economic general partner interest in EQM, while the public owned a 40.1% limited partner interest in EQM (excluding the Series A Preferred Units).

During the first quarter of 2019, as a result of the EQM IDR Transaction, the Company recorded, in the aggregate, a \$991.1 million increase of common stock, no par value, a decrease in noncontrolling interest of \$1.3 billion and a decrease in deferred tax asset of \$346.5 million.

EQM Merger. See Note 3 for a discussion regarding the EQM Merger.

EQM Series A Preferred Units. On March 13, 2019, EQM entered into a Convertible Preferred Unit Purchase Agreement (inclusive of certain Joinder Agreements entered into on March 18, 2019, the Preferred Unit Purchase Agreement) with certain investors to issue and sell in a private placement (the EQM Private Placement) an aggregate of 24,605,291 Series A Preferred Units for a cash purchase price of \$48.77 per Series A Preferred Unit (the Series A Preferred Unit Purchase Price), resulting in total gross proceeds of approximately \$1.2 billion. The net proceeds from the EQM Private Placement were used in part to fund the purchase price in the Bolt-on Acquisition (defined in Note 3) and to pay certain fees and expenses related to the Bolt-on Acquisition, and the remainder was used for general partnership purposes. The EQM Private Placement closed concurrently with the closing of the Bolt-on Acquisition on April 10, 2019. See Note 3.

The Series A Preferred Units rank senior to all EQM common units and Class B units with respect to distribution rights and rights upon liquidation. The Series A Preferred Units vote on an as-converted basis with the EQM common units and Class B units and have certain other class voting rights with respect to any amendment to the EQM Partnership Agreement or its certificate of limited partnership that would be adverse (other than in a *de minimis* manner) to any of the rights, preferences or privileges of the Series A Preferred Units.

The holders of the Series A Preferred Units are entitled to receive cumulative quarterly distributions at a rate of \$1.0364 per Series A Preferred Unit for the first twenty distribution periods following the EQM Private Placement, and thereafter the quarterly distributions on the Series A Preferred Units will be an amount per Series A Preferred Unit for such quarter equal to (i) the Series A Preferred Unit purchase price of \$48.77 per such unit, multiplied by (ii) a percentage equal to the sum of (A) the greater of (x) the three-month LIBOR as of the second London banking day prior to the beginning of the applicable quarter and (y) 2.59%, and (B) 6.90%, multiplied by (iii) 25%. EQM will not be entitled to pay any distributions on any junior securities, including any EQM common units or Class B units, prior to paying the quarterly distributions payable to the holders of Series A Preferred Units, including any previously accrued and unpaid distributions.

Preferred Restructuring Agreement. As discussed in Note 1, on February 26, 2020, the Company and EQM entered into the Restructuring Agreement with the Investors, pursuant to which the parties thereto agreed that, concurrently with the closing of the EQM Merger: (i) EQM will redeem \$600 million aggregate principal amount of the Investors' Series A Preferred Units issued and outstanding immediately prior to the effective time of the Restructuring Closing (defined herein) for cash at 101% of the Series A Preferred Unit Purchase Price plus any accrued and unpaid distribution amounts and partial period distribution amounts, and (ii) after giving effect to such redemption, each remaining issued and outstanding Series A Preferred Unit will be exchanged for 2.44 Equitrans Midstream Preferred Shares, in each case, in connection with the occurrence of the "Series A Change of Control" (as defined in the EQM Partnership Agreement) that will occur upon the closing of the EQM Merger. The Equitrans Midstream Preferred Shares to be issued will not be registered under the Securities Act of 1933, as amended (the Securities Act), in reliance upon the exemption provided in Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder.

The Restructuring is expected to close substantially concurrent with the closing of the EQM Merger (the Restructuring Closing), subject to the delivery of certain closing deliverables and certain closing conditions, including, among others: (i) the continued accuracy of the representations and warranties contained in the Restructuring Agreement; (ii) the performance by each party of its respective obligations under the Restructuring Agreement; (iii) the absence of any suit, action or proceeding by any governmental authority restraining, precluding, enjoining or prohibiting the Restructuring; (iv) the closing of the EQM Merger either prior to or concurrently with the Restructuring Closing; and (v) the execution of certain agreements and delivery

of certain documents related to the Restructuring, including the certificate of designations to be filed by the Company with the Pennsylvania Department of State at the Restructuring Closing (the Certificate of Designations) and a registration rights agreement to be entered into by and among the Company and the Investors (the Registration Rights Agreement).

Pursuant to the Restructuring Agreement, in connection with the Restructuring Closing, the Company will file a statement with respect to shares, attaching the Certificate of Designations, with the Pennsylvania Department of State to, among other things, authorize and establish the designations, rights and preferences of the Equitrans Midstream Preferred Shares.

The Equitrans Midstream Preferred Shares will be a new class of security that will rank *pari passu* with any other outstanding class or series of preferred stock of Equitrans Midstream and senior to Equitrans Midstream common stock with respect to dividend rights and rights upon liquidation. The Equitrans Midstream Preferred Shares will vote on an as-converted basis with Equitrans Midstream common stock and will have certain other class voting rights with respect to any amendment to the Certificate of Designations or the Company's Amended and Restated Articles of Incorporation that would be adverse (other than in a *de minimis* manner) to any of the rights, preferences or privileges of the Equitrans Midstream Preferred Shares.

The holders of the Equitrans Midstream Preferred Shares will receive cumulative quarterly dividends at a rate per annum of 9.75% for each quarter ending on or before March 31, 2024, and thereafter the quarterly dividends at a rate per annum equal to the sum of (i) three-month LIBOR as of the LIBOR Determination Date (as defined in the Certificate of Designations) in respect of the applicable quarter and (ii) 8.15%; provided that such rate per annum in respect of periods after March 31, 2024 will not be less than 10.50%. The Company will not be entitled to pay any dividends on any junior securities, including on Equitrans Midstream common stock, prior to paying the quarterly dividends payable to the Equitrans Midstream Preferred Shares, including any previously accrued and unpaid dividends.

Each holder of the Equitrans Midstream Preferred Shares may upon issuance elect to convert all or any portion of the Equitrans Midstream Preferred Shares owned by it into Equitrans Midstream common stock initially on a one-for-one basis, subject to certain anti-dilution adjustments and an adjustment for any dividends that have accrued but not been paid when due and partial period dividends (referred to as the "conversion rate"), at any time (but not more often than once per fiscal quarter) after April 10, 2021 (or earlier liquidation, dissolution or winding up of the Company), provided that any conversion involves an aggregate number of Equitrans Midstream Preferred Shares of at least \$20 million (calculated based on the closing price of the Equitrans Midstream common stock on the trading day preceding notice of the conversion) or such lesser amount if such conversion relates to all of a holder's remaining Equitrans Midstream Preferred Shares or if such conversion is approved by the Company's Board of Directors.

So long as the holders of the Equitrans Midstream Preferred Shares have not elected to convert all of their Equitrans Midstream Preferred Shares into Equitrans Midstream common stock, Equitrans Midstream may elect to convert all of the Equitrans Midstream Preferred Shares for Equitrans Midstream common stock, at the then-applicable conversion rate, at any time after April 10, 2021 if (i) the shares of Equitrans Midstream common stock are listed for, or admitted to, trading on a national securities exchange, (ii) the closing price per share of Equitrans Midstream common stock on the national securities exchange on which the shares of Equitrans Midstream common stock are listed for, or admitted to, trading exceeds \$27.99 for the 20 consecutive trading days immediately preceding notice of the conversion, (iii) the average daily trading volume of the Equitrans Midstream common stock on the national securities exchange on which the shares of Equitrans Midstream common stock are listed for, or admitted to, trading exceeds 1,000,000 shares (subject to certain adjustments) of Equitrans Midstream common stock for the 20 consecutive trading days immediately preceding notice of the conversion, (iv) the Company has an effective registration statement on file with the SEC covering resales of the shares of Equitrans Midstream common stock to be received by such holders upon any such conversion and (v) the Company has paid all prior accumulated and unpaid dividends in cash in full to the holders.

Upon certain events involving a Change of Control (as defined in the Certificate of Designations) in which more than 90% of the consideration payable to the Company, or the holders of the Equitrans Midstream common stock is payable in cash, the Equitrans Midstream Preferred Shares will automatically convert into Equitrans Midstream common stock at a conversion ratio equal to the greater of (i) the quotient of (a) the sum of (x) \$19.99 (such per share price at which the Equitrans Midstream Preferred Shares will be issued, the Equitrans Midstream Preferred Share Issue Price plus (y) any accrued and unpaid dividends on such date, including any partial period dividends, with respect to the Equitrans Midstream Preferred Shares on such date, divided by (b) the Equitrans Midstream Preferred Share Issue Price and (ii) the quotient of (a) the sum of (x)(1) the Equitrans Midstream Preferred Share Issue Price multiplied by (2) 110% plus (y) any accrued and unpaid dividends on such date, including any partial period dividends with respect to the Equitrans Midstream Preferred Shares on such date, divided by (ii) the volume weighted average price of the shares of Equitrans Midstream common stock for the 30-day period ending immediately prior to the execution of definitive documentation relating to the Change of Control.

In connection with other Change of Control events that do not satisfy the 90% cash consideration threshold described above, in addition to certain other conditions, each holder of Equitrans Midstream Preferred Shares may elect to (i) convert all, but not less than all, of its Equitrans Midstream Preferred Shares into Equitrans Midstream common stock at the then applicable conversion rate, (ii) if the Company is not the surviving entity (or if the Company is the surviving entity, but Equitrans Midstream common stock will cease to be listed), require the Company to use commercially reasonable efforts to cause the surviving entity in any such transaction to issue a substantially equivalent security that has rights, preferences and privileges substantially equivalent to the Equitrans Midstream Preferred Shares (or if the Company is unable to cause such substantially equivalent securities to be issued, to exercise the option described in clause (i) or (iv) hereof or elect to convert such Equitrans Midstream Preferred Shares at a conversion ratio reflecting a multiple of invested capital), (iii) if the Company is the surviving entity, continue to hold the Equitrans Midstream Preferred Shares or (iv) require the Company to redeem the Equitrans Midstream Preferred Shares at a price per share equal to 101% of the Equitrans Midstream Preferred Share Issue Price, plus accrued and unpaid dividends, including any partial period dividends on the applicable Equitrans Midstream Preferred Shares on such date, which redemption price may be payable in cash, Equitrans Midstream common stock or a combination thereof at the election of the Company's Board of Directors (and, if payable in Equitrans Midstream common stock, such Equitrans Midstream common stock will be issued at 95% of the volume-weighted average price of Equitrans Midstream common stock for the 20-day period ending on the fifth trading day immediately preceding the consummation of the Change of Control). Any holder of Equitrans Midstream Preferred Shares that requires the Company to redeem its Equitrans Midstream Preferred Shares pursuant to clause (iv) above will have the right to withdraw such election with respect to all, but not less than all, of its Equitrans Midstream Preferred Shares at any time prior to the fifth trading day immediately preceding the consummation of the Change of Control and instead elect to be treated in accordance with any of clauses (i), (ii) or (iii) above.

At any time on or after January 1, 2024, the Company will have the right, subject to applicable law, to redeem the Equitrans Midstream Preferred Shares, in whole or in part, by paying cash for each Equitrans Midstream Preferred Share to be redeemed in an amount equal to the greater of (a) the sum of (i)(1) the Equitrans Midstream Preferred Share Issue Price multiplied by (2) 110%, plus (ii) any accrued and unpaid dividends, including partial period dividends, with respect to the Equitrans Midstream Preferred Shares on such date and (b) the amount the holder of such Equitrans Midstream Preferred Share would receive if such holder had converted such Equitrans Midstream Preferred Share into shares of Equitrans Midstream common stock at the then-applicable conversion ratio and the Company liquidated immediately thereafter.

Pursuant to the terms of the Restructuring Agreement, in connection with the Restructuring Closing, the Company has agreed to enter into the Registration Rights Agreement pursuant to which, among other things, the Company will give the Investors certain rights to require the Company to file and maintain one or more registration statements with respect to the resale of the Equitrans Midstream Preferred Shares and the shares of Equitrans Midstream common stock that are issuable upon conversion of the Equitrans Midstream Preferred Shares, and to require the Company to initiate underwritten offerings for the Equitrans Midstream Preferred Shares and the shares of Equitrans Midstream common stock that are issuable upon conversion of the Equitrans Midstream Preferred Shares.

Shared Assets Transaction. On March 31, 2019, EQM entered into an Assignment and Bill of Sale (the Assignment and Bill of Sale) with the Company pursuant to which EQM acquired certain assets and assumed certain leases that primarily support EQM's operations for an aggregate cash purchase price of \$49.7 million (the initial purchase price), which reflected the net book value of in-service assets and expenditures made for assets not yet in-service (collectively, and inclusive of the additional assets subsequently acquired as described in the following sentences, the Shared Assets Transaction). Further, pursuant to the Assignment and Bill of Sale, EQM acquired, effective on the first day of the second quarter of 2019, certain additional assets from the Company for \$8.9 million in cash consideration, reflecting the net book value of in-service assets and expenditures made in respect of assets not yet in-service as of June 30, 2019, which subsequent purchase price was subject to certain adjustments. Additionally, pursuant to the Assignment and Bill of Sale, EQM acquired, effective on the first day of the third quarter of 2019, additional assets from the Company for a *de minimis* dollar amount reflecting the net book value of such assets as of September 30, 2019. The initial and subsequent purchase prices were funded utilizing the Amended EQM Credit Facility (defined in Note 9). Prior to the Shared Assets Transaction, EQM made quarterly payments to the Company based on fees allocated from the Company for use of in-service assets transferred to EQM in the Shared Assets Transaction. In connection with the entry into the Assignment and Bill of Sale, the omnibus agreement among the Company, EQM and the EQM General Partner (as successor to the former EQM general partner) was amended and restated in order to, among other things, govern the Company's use, and payment for such use, of the acquired assets following their conveyance to EQM and provide for reimbursement of EQM by the Company for expenses incurred by EQM in connection with such use.

EQM Cash Distribution. On April 27, 2020, the Board of Directors of the EQM General Partner declared a cash distribution to EQM's common unitholders for the first quarter of 2020 of \$0.3875 per EQM common unit. The cash distribution was paid on May 14, 2020 to EQM's common unitholders of record at the close of business on May 5, 2020. Cash distributions paid by EQM to the Company were approximately \$45.4 million with respect to the Company's limited partner interest in EQM.

In addition, on April 27, 2020, the Board of Directors of the EQM General Partner declared a quarterly cash distribution on the Series A Preferred Units for the first quarter of 2020 of \$1.0364 per Series A Preferred Unit. The cash distribution was paid on May 14, 2020 to holders of Series A Preferred Units of record at the close of business on May 5, 2020.

3. Acquisitions and Mergers

EQM Merger. As discussed in Note 1, on February 26, 2020, the Company, EQM, EQM LP, Merger Sub and the EQM General Partner entered into the EQM Merger Agreement, pursuant to which Merger Sub will merge with and into EQM, with EQM continuing and surviving as an indirect wholly owned subsidiary of the Company following the EQM Merger. Following the EQM Merger, EQM will no longer be a publicly traded entity. The Company expects the EQM Merger to close in June 2020, subject to customary closing conditions, including approvals of EQM's limited partners and the Company's shareholders. The Equitrans Midstream Special Meeting (defined herein) and the EQM Special Meeting (defined herein) are both scheduled to be held on June 15, 2020.

Under the terms of the EQM Merger Agreement, and subject to the satisfaction or waiver of certain conditions therein, at the effective time of the EQM Merger (the Effective Time), subject to applicable tax withholding, (i) each outstanding EQM common unit, other than EQM common units owned by the Company and its subsidiaries, will be converted into the right to receive (assuming no adjustment contemplated in the EQM Merger Agreement) 2.44 shares of Equitrans Midstream common stock (the Merger Consideration); (ii) (x) \$600.0 million aggregate principal amount of the Series A Preferred Units issued and outstanding immediately prior to the Effective Time will be redeemed by EQM for cash at 101% of the Series A Preferred Unit Purchase Price plus any accrued and unpaid distribution amounts and partial period distribution amounts and, (y) after giving effect to such redemption, each remaining issued and outstanding Series A Preferred Unit will be exchanged for 2.44 Equitrans Midstream Preferred Shares; and (iii) each outstanding phantom unit relating to an EQM common unit issued pursuant to the Amended and Restated EQGP Services, LLC 2012 Long-Term Incentive Plan, dated as of February 22, 2019 (the EQM LTIP), and any other award issued pursuant to the EQM LTIP, whether vested or unvested, will be converted into the right to receive, with respect to each EQM common unit subject thereto, the Merger Consideration (plus any accrued but unpaid amounts in relation to distribution equivalent rights). The limited partner interests in EQM owned by the Company and its subsidiaries (including the Class B units) will remain outstanding as limited partner interests in the surviving entity. The EQM General Partner will continue to own the non-economic general partner interest in the surviving entity.

EQM agreed to, and the EQM General Partner will use its reasonable best efforts to cause its and EQM's and its subsidiaries' representatives to, cease and cause to be terminated any discussions or negotiations with any person conducted prior to the execution of the EQM Merger Agreement with respect to an alternative proposal, not to directly or indirectly solicit competing acquisition proposals or to enter into discussions concerning, or provide confidential information in connection with, any unsolicited alternative business combinations, subject to certain exceptions with respect to unsolicited proposals received by EQM. In addition, EQM has agreed to call a special meeting of the limited partners of EQM (the EQM Special Meeting) to approve the EQM Merger Agreement. The Conflicts Committee of the Board of Directors of the EQM General Partner (the EQM Conflicts Committee) may, subject to certain conditions, change its recommendation in favor of approval of the EQM Merger Agreement and the EQM Merger if, in connection with receipt of a superior proposal or the occurrence of a Partnership Changed Circumstance (as defined in the EQM Merger Agreement), it determines in good faith that failure to take such action would constitute a breach of, or otherwise be inconsistent with, its duties under applicable law, as modified by the EQM Partnership Agreement. However, even if the EQM Conflicts Committee changes its recommendation, the EQM Merger Agreement requires EQM to submit the EQM Merger Agreement for approval by the limited partners of EQM.

The EQM Merger Agreement contains representations and warranties from the parties and indemnification obligations, and each party has agreed to certain covenants, including, among others, covenants relating to, among others, (i) the conduct of business during the interim period between the execution of the EQM Merger Agreement and the Effective Time and (ii) the obligation to use reasonable best efforts to cause the EQM Merger to be consummated.

Completion of the EQM Merger is conditioned upon, among others: (i) approval (the Partnership Approval) of the EQM Merger Agreement and the EQM Merger by holders of a majority of the outstanding EQM common units, Class B units, and Series A Preferred Units, with such Series A Preferred Units treated as EQM common units on an as-converted basis, voting together as a single class at the EQM Special Meeting; (ii) approval (the Equitrans Midstream Shareholder Approval) of the issuance of Equitrans Midstream common stock as Merger Consideration and the issuance of the Equitrans Midstream Preferred Shares by a majority of votes cast at a special meeting of holders of shares of Equitrans Midstream common stock (the Equitrans Midstream Special Meeting); (iii) there being no law or injunction prohibiting consummation of the transactions contemplated under the EQM Merger Agreement; (iv) the effectiveness of a registration statement on Form S-4, and no stop order suspending the effectiveness of such registration statement, relating to the issuance of shares of Equitrans Midstream common stock pursuant to the EQM Merger Agreement; (v) approval for listing on the NYSE of the shares of Equitrans Midstream common stock issuable pursuant to the EQM Merger Agreement; (vi) subject to specified materiality standards, the

accuracy of certain representations and warranties of each party; (vii) the delivery of a tax opinion to the Company in form and substance approved by EQT, satisfying the requirements of an unqualified tax opinion (as defined in the Tax Matters Agreement, dated November 12, 2018, between EQT and the Company (the Tax Matters Agreement)) with respect to the transactions contemplated by the EQM Merger Agreement; (viii) compliance with, or waiver, if permissible, by the respective parties in all material respects with their respective covenants; and (ix) closing of the Restructuring.

The EQM Merger Agreement contains provisions granting each of the Company and EQM the right to terminate the EQM Merger Agreement for certain reasons, including, among others, (i) by the mutual written consent of the Company and EQM; (ii) if the EQM Merger has not been consummated on or before August 26, 2020; (iii) if any law, injunction, judgment or ruling enacted, promulgated, issued, entered, amended or enforced by any governmental authority shall be in effect, and has become final and nonappealable, enjoining, restraining, preventing or prohibiting the consummation of the transactions contemplated by the EQM Merger Agreement or making the consummation of the transactions contemplated by the EQM Merger Agreement illegal; (iv) if the EQM Special Meeting shall have concluded and the Partnership Approval shall not have been obtained; (v) if the Equitrans Midstream Special Meeting shall have concluded and the Equitrans Midstream Shareholder Approval shall not have been obtained; or (vi) if a Partnership Adverse Recommendation Change (as defined in the EQM Merger Agreement) shall have occurred prior to receipt of the Partnership Approval (provided that EQM may only terminate as a result of Partnership Changed Circumstances (as defined in the EQM Merger Agreement)).

The EQM Merger Agreement contains provisions granting the Company the right to terminate the EQM Merger Agreement for certain reasons, including, (a) if EQM or the EQM General Partner shall have breached or failed to perform its representations, warranties, covenants or agreements set forth in the EQM Merger Agreement, which breach or failure (x) would give rise to a failure of certain of the conditions to the Company's obligations to consummate the transactions contemplated by the EQM Merger Agreement and (y) is incapable of being cured or is not cured within the earlier of 30 days of written notice of such breach or failure by the Company, provided the Company shall not have the right to terminate if the Company, EQM LP or Merger Sub are in material breach of any of their representations, warranties, covenants or agreements contained in the EQM Merger Agreement, or (b) prior to receipt of Partnership Approval, EQM is in Willful Breach (as defined in the EQM Merger Agreement) of its obligations set forth under the non-solicitation provisions of the EQM Merger Agreement, provided the Company shall not have the right to terminate if the Company, EQM LP or Merger Sub are in material breach of any of its representations, warranties, covenants or agreements contained in the EQM Merger Agreement.

The EQM Merger Agreement contains provisions granting EQM the right to terminate the EQM Merger Agreement if (a) the Company has breached or failed to perform its representations, warranties, covenants or agreements set forth in the EQM Merger Agreement, which breach or failure (1) would give rise to a failure of certain of the conditions to EQM's obligations to consummate the transactions under the EQM Merger Agreement and (2) is incapable of being cured or is not cured within the earlier of 30 days of written notice of such breach or failure by EQM, provided EQM shall not have the right to terminate if EQM or the EQM General Partner is in material breach of any of its representations, warranties, covenants or agreements contained in the EQM Merger Agreement or (b) prior to receipt of the Partnership Approval, in order to enter into an agreement providing for a Superior Proposal (as defined in the EQM Merger Agreement). Upon termination of the EQM Merger Agreement under certain circumstances, EQM will be obligated to (i) pay the Company a termination fee equal to \$36.5 million and/or (ii) reimburse the Company for its expenses in an amount not to exceed \$10 million. The EQM Merger Agreement also provides that upon termination of the EQM Merger Agreement under certain circumstances, the Company will be obligated to reimburse EQM for its expenses in an amount not to exceed \$10 million.

The Company recorded \$11.4 million in expenses related to the EQM Merger and the EQT Global GGA (defined in Note 4) during the three months ended March 31, 2020. The expenses primarily include advisor, legal and accounting fees related to the transactions and are included in separation and other transaction costs in the statements of consolidated comprehensive income.

Bolt-on Acquisition. On March 13, 2019, EQM entered into a Purchase and Sale Agreement with North Haven Infrastructure Partners II Buffalo Holdings, LLC (NHIP), an affiliate of Morgan Stanley Infrastructure Partners, pursuant to which EQM acquired from NHIP a 60% Class A interest in Eureka Midstream Holdings, LLC (Eureka Midstream) and a 100% interest in Hornet Midstream Holdings, LLC (Hornet Midstream) (collectively, the Bolt-on Acquisition) for total consideration of approximately \$1.04 billion, composed of approximately \$852 million in cash, net of purchase price adjustments, and approximately \$192 million in assumed pro-rata debt. At the time of the acquisition, Eureka Midstream owned a 190-mile gathering header pipeline system in Ohio and West Virginia that services both dry Utica and wet Marcellus Shale production and Hornet Midstream owned a 15-mile, high-pressure gathering system in West Virginia that connects to the Eureka Midstream system. The Bolt-on Acquisition closed on April 10, 2019 and was funded through proceeds from the EQM Private Placement that closed concurrently with the Bolt-on Acquisition. See Note 2 for further information regarding the EQM Private Placement.

The Bolt-on Acquisition was accounted for as a business combination using the acquisition method. As a result of the acquisition, the Company recognized \$99.2 million of goodwill, which was allocated to the Gathering segment. Such goodwill primarily related to additional commercial opportunities, a diversified producer customer mix, increased exposure to dry Utica and wet Marcellus acreage and operating leverage within the Gathering segment. The purchase price allocation and related adjustments were finalized during the fourth quarter of 2019. The following table summarizes the final purchase price and allocation of the fair value of the assets acquired and liabilities assumed in the Bolt-on Acquisition as of April 10, 2019 by the Company, as well as certain measurement period adjustments made subsequent to the Company's initial valuation.

(in thousands)	Preliminary Purchase Price Allocation (As initially reported)	Measurement Period Adjustments ^(a)	Purchase Price Allocation (As adjusted)
Consideration given:			
Cash consideration ^(b)	\$ 861,250	\$ (11,404)	\$ 849,846
Buyout of portion of Eureka Midstream Class B Units and incentive compensation	2,530	—	2,530
Total consideration	863,780	(11,404)	852,376
Fair value of liabilities assumed:			
Current liabilities	52,458	(9,857)	42,601
Long-term debt	300,825	—	300,825
Other long-term liabilities	10,203	—	10,203
Amount attributable to liabilities assumed	363,486	(9,857)	353,629
Fair value of assets acquired:			
Cash	15,145	—	15,145
Accounts receivable	16,817	—	16,817
Inventory	12,991	(26)	12,965
Other current assets	882	—	882
Net property, plant and equipment	1,222,284	(8,906)	1,213,378
Intangible assets ^(c)	317,000	(6,000)	311,000
Deferred tax asset	5,773	(5,268)	505
Other assets	14,567	—	14,567
Amount attributable to assets acquired	1,605,459	(20,200)	1,585,259
Noncontrolling interests	(486,062)	7,602	(478,460)
Goodwill as of April 10, 2019	\$ 107,869	\$ (8,663)	\$ 99,206
Impairment of goodwill ^(d)			(99,206)
Goodwill as of March 31, 2020			\$ —

- (a) The Company recorded measurement period adjustments to its preliminary acquisition date fair values due to the refinement of its valuation models, assumptions and inputs. The measurement period adjustments were based upon information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the measurement of the amounts recognized at that date.
- (b) The cash consideration for the Bolt-on Acquisition was adjusted by approximately \$11.4 million related to working capital adjustments and the release of all escrowed indemnification funds to EQM.
- (c) After considering the refinements to the valuation models, the Company estimated the fair value of the customer-related intangible assets acquired as part of the Bolt-on Acquisition to be \$311.0 million. As a result, the fair value of the customer-related intangible assets was decreased by \$6.0 million on September 30, 2019 with a corresponding increase to goodwill. In addition, the change to the provisional amount resulted in a decrease in amortization expense and accumulated amortization of approximately \$0.4 million.
- (d) During the third quarter of 2019, the Company identified impairment indicators that suggested the fair value of its goodwill was more likely than not below its carrying amount. As such, the Company performed an interim goodwill impairment assessment, which resulted in the Company recognizing impairment to goodwill of approximately \$268.1 million, of which \$99.2 million was associated with its Eureka/Hornet reporting unit, bringing the reporting unit's goodwill balance to zero.

See Note 6 for a discussion regarding the Share Purchase Agreements.

4. Impairments of Long-Lived Assets and Other-Than-Temporary Decline in Value

Goodwill. On February 26, 2020 (the EQT Global GGA Effective Date), EQM entered into a Gas Gathering and Compression Agreement (the EQT Global GGA) with EQT for the provision of certain gas gathering services to EQT in the Marcellus and Utica Shales of Pennsylvania and West Virginia (as further discussed in Note 6). Prior to the EQT Global GGA Effective Date, the Company operated three reportable operating segments and seven reporting units, which are one level below the operating segment level and are generally based on how segment management reviews the Company's operating results. Commencing with the EQT Global GGA Effective Date, the Company reduced its reporting units from seven to six and maintained its three reportable operating segments. As of the EQT Global GGA Effective Date, the only reporting unit to which the Company had goodwill recorded related to the Pennsylvania gathering assets acquired in connection with EQM's merger with Rice Midstream Partners LP in July 2018 (RMP PA Gas Gathering reporting unit). As a result of the EQT Global GGA, the assets under, and operations associated with, the RMP PA Gas Gathering reporting unit and the reporting unit associated with the gas gathering and compression activities of EQM Gathering Opco, LLC, an indirect wholly owned subsidiary of EQM (EQM Opco reporting unit), were combined to service a collective MVC under the agreement. Therefore, effective on the EQT Global GGA Effective Date, the RMP PA Gas Gathering reporting unit was merged with and into the EQM Opco reporting unit, with the EQM Opco reporting unit surviving.

During the first quarter of 2020, the Company identified impairment indicators in the form of significant declines in the unit price of EQM's common units and corresponding market capitalization. Management considered these declines as indicators that the fair value of the RMP PA Gas Gathering reporting unit was more likely than not below its carrying amount, and the performance of an interim quantitative goodwill impairment assessment was required. Additionally, as a result of the combination of the RMP PA Gas Gathering reporting unit and the EQM Opco reporting unit, the Company tested both the RMP PA Gas Gathering and the merged EQM Opco reporting units for goodwill impairment. In estimating the fair value of the RMP PA Gas Gathering and the merged EQM Opco reporting units, the Company used a combination of the income approach and the market approach. The Company used the income approach's discounted cash flow method, which applies significant inputs not observable in the public market (Level 3), including estimates and assumptions related to the use of an appropriate discount rate, future throughput volumes, operating costs, capital spending and changes in working capital. The Company used the market approach's comparable company and reference transaction methods. The comparable company method evaluates the value of a company using metrics of other businesses of similar size and industry. The reference transaction method evaluates the value of a company based on pricing multiples derived from similar transactions entered into by similar companies.

As a result of the interim assessment, the Company determined that the fair values of the RMP PA Gas Gathering reporting unit and the merged EQM Opco reporting unit, as applicable, were greater than their respective carrying values. No impairment to goodwill was recorded during the three months ended March 31, 2020. The Company believes the estimates and assumptions used in estimating its reporting units' fair values are reasonable and appropriate; however, different assumptions and estimates could materially affect the calculated fair values of the RMP PA Gas Gathering reporting unit and the merged EQM Opco reporting unit and the resulting conclusion on impairment of goodwill, which could materially affect the Company's results of operations and financial position. Additionally, actual results could differ from these estimates. Any additional adverse changes in the future could reduce the underlying cash flows used to estimate the fair value of the merged EQM Opco reporting unit and could result in a decline in fair value that could trigger future impairment charges relating to the EQM Opco reporting unit.

Long-lived assets, including intangible assets and equity method investments. As of March 31, 2020, the Company performed a recoverability test of the Hornet Midstream long-lived assets due to decreased producer activity. As a result of the recoverability test, management determined that the carrying value of the Hornet Midstream long-lived assets acquired in the Bolt-on Acquisition was not recoverable under ASC 360, *Impairment Testing: Long-Lived Assets Classified as Held and Used*. The Hornet Midstream asset group consists of gathering assets and customer-related intangible assets. During the first quarter of 2020, the Company estimated the fair value of the Hornet Midstream asset group and determined that the fair value was not in excess of the assets' carrying value, which resulted in impairment charges of approximately \$37.9 million to the gathering assets and approximately \$17.7 million to the customer-related intangible assets both within the Company's Gathering segment. The non-cash impairment charges are included in the impairments of long-lived assets line on the statements of consolidated comprehensive income for the period ended March 31, 2020.

The Company is also required to evaluate EQM's equity method investments, including investments in the MVP Joint Venture, to determine whether they are impaired under ASC 323, *Investments - Equity Method and Joint Ventures*. The standard for determining whether an impairment must be recorded under ASC 323 is whether there occurred an other-than-temporary decline in value. The evaluation and measurement of impairments under ASC 323 involves the same uncertainties as described for long-lived assets that EQM owns directly and accounts for in accordance with ASC 360. The estimates that the Company makes with respect to EQM's equity method investments are based upon assumptions that management believes are reasonable, and the impact of variations in these estimates or the underlying assumptions could be material. Additionally, if the projects in which EQM holds these investments recognize an impairment under ASC 360, the Company would record its proportionate

share of that impairment loss and would evaluate its investment for an other-than-temporary decline in value under ASC 323. The Company has evaluated its equity method investments, including investments in the MVP Joint Venture, as of March 31, 2020 and determined that there was not an other-than-temporary decline in value.

There is risk that the carrying value of EQM's investments in the MVP Joint Venture may be impaired in the future. There are ongoing legal and regulatory matters that must be resolved favorably before the MVP and MVP Southgate projects can be completed. Assumptions and estimates utilized to test EQM's investments in the MVP Joint Venture for impairment may change if adverse or delayed resolutions to these matters were to occur, which could have a material effect on the fair value of EQM's investments in the MVP Joint Venture.

5. Financial Information by Business Segment

The Company, through its control of EQM, reports its operations in three segments that reflect its three lines of business: Gathering, Transmission and Water. Gathering includes EQM's high-pressure gathering lines and FERC-regulated low-pressure gathering lines; Transmission includes EQM's FERC-regulated interstate pipelines and storage system; and Water consists of EQM's water pipelines, impoundment facilities, pumping stations, take point facilities and measurement facilities. On April 30, 2020, EQM filed with the FERC its request to abandon the remaining 927 miles of its non-core, FERC-regulated low-pressure gathering pipelines (included in the Gathering segment) and 11 related compressor station facilities.

	Three Months Ended March 31,	
	2020	2019
(Thousands)		
Revenues from customers:		
Gathering	\$ 310,047	\$ 261,881
Transmission	106,615	109,859
Water	36,451	18,042
Total operating revenues	<u>\$ 453,113</u>	<u>\$ 389,782</u>
Operating income:		
Gathering	\$ 155,228	\$ 182,078
Transmission	78,434	84,750
Water	17,752	1,186
Other ^(a)	(9,332)	(7,973)
Total operating income	<u>\$ 242,082</u>	<u>\$ 260,041</u>
Reconciliation of operating income to net income:		
Equity income ^(b)	\$ 54,072	\$ 31,063
Other income	4,163	1,861
Loss on early extinguishment of debt	24,864	—
Net interest expense	66,754	60,949
Income tax expense	19,139	32,450
Net income	<u>\$ 189,560</u>	<u>\$ 199,566</u>

(a) Includes separation and other transaction costs and other operating expenses incurred by the Company separate from and in addition to similar costs incurred by EQM.

(b) Equity income is included in the Transmission segment.

	March 31, 2020	December 31, 2019
	(Thousands)	
Segment assets:		
Gathering	\$ 7,633,394	\$ 7,572,911
Transmission ^(a)	4,034,646	3,903,707
Water	208,651	202,440
Total operating segments	11,876,691	11,679,058
Headquarters, including cash	312,986	362,651
Total assets	\$ 12,189,677	\$ 12,041,709

(a) The equity investments in the MVP Joint Venture are included in the Transmission segment.

	Three Months Ended March 31,	
	2020	2019
	(Thousands)	
Depreciation:		
Gathering	\$ 40,440	\$ 28,116
Transmission	13,558	12,533
Water	7,116	6,416
Other	234	3,446
Total	\$ 61,348	\$ 50,511
Capital expenditures for segment assets:		
Gathering ^(a)	\$ 111,454	\$ 158,000
Transmission ^(b)	10,798	18,762
Water	3,476	9,175
Other	1,876	3,396
Total ^(c)	\$ 127,604	\$ 189,333

- (a) Includes approximately \$12.5 million of capital expenditures related to the noncontrolling interest in Eureka Midstream for the three months ended March 31, 2020.
- (b) Transmission capital expenditures do not include capital contributions made to the MVP Joint Venture for the MVP and MVP Southgate projects of approximately \$45.2 million and \$144.8 million for the three months ended March 31, 2020 and 2019, respectively.
- (c) The Company accrues capital expenditures when the work has been completed but the associated bills have not yet been paid. Accrued capital expenditures are excluded from the statements of consolidated cash flows until they are paid. Accrued capital expenditures were approximately \$61.0 million and \$85.8 million at March 31, 2020 and December 31, 2019, respectively. Accrued capital expenditures were approximately \$89.7 million and \$109.3 million at March 31, 2019 and December 31, 2018, respectively.

6. Revenue from Contracts with Customers

For the three months ended March 31, 2020 and 2019, all revenues recognized on the Company's statements of consolidated comprehensive income are from contracts with customers. As of March 31, 2020 and December 31, 2019, all receivables recorded on the Company's consolidated balance sheets represent performance obligations that have been satisfied and for which an unconditional right to consideration exists.

Summary of Disaggregated Revenues. The tables below provide disaggregated revenue information by business segment.

	Three Months Ended March 31, 2020			
	Gathering	Transmission	Water	Total
	(Thousands)			
Firm reservation fee revenues ^(a)	\$ 152,079	\$ 99,597	\$ 12,776	\$ 264,452
Volumetric-based fee revenues	157,968	7,018	23,675	188,661
Total operating revenues	<u>\$ 310,047</u>	<u>\$ 106,615</u>	<u>\$ 36,451</u>	<u>\$ 453,113</u>

	Three Months Ended March 31, 2019			
	Gathering	Transmission	Water	Total
	(Thousands)			
Firm reservation fee revenues	\$ 128,959	\$ 99,224	\$ 2,884	\$ 231,067
Volumetric-based fee revenues	132,922	10,635	15,158	158,715
Total operating revenues	<u>\$ 261,881</u>	<u>\$ 109,859</u>	<u>\$ 18,042</u>	<u>\$ 389,782</u>

(a) For the three months ended March 31, 2020, firm reservation fee revenues associated with Gathering and Water included approximately \$6.3 million and \$5.0 million, respectively, of MVC unbilled revenues.

Contract Assets. The Company recognizes contract assets in instances where billing occurs subsequent to revenue recognition and the Company's right to invoice the customer is conditioned on something other than the passage of time. The Company's contract assets primarily consist of revenue recognized under contracts containing MVC's whereby management has concluded (i) it is probable there will be a MVC deficiency payment at the end of the then current MVC period, which is typically the period beginning at the inception of such contracts through the successive twelve month periods after that date, and (ii) that a significant reversal of revenue recognized currently for the future MVC deficiency payment will not occur. As a result, the Company's contract assets related to the Company's future MVC deficiency payments are generally expected to be collected within the next twelve months and are included in other current assets in the Company's consolidated balance sheet until such time as the MVC deficiency payments are invoiced to the customer.

The following table presents changes in the Company's unbilled revenue balance during the three months ended March 31, 2020:

	Unbilled Revenue
	(Thousands)
Balance as of January 1, 2020	\$ —
Revenue recognized in excess of amounts invoiced	11,305
Minimum volume commitments invoiced ^(a)	—
Balance as of March 31, 2020	<u>\$ 11,305</u>

(a) Unbilled revenues are transferred to accounts receivable once the Company has an unconditional right to consideration from the customer.

Contract Liabilities. As of March 31, 2020, the Company's contract liabilities consist of deferred revenue associated with the EQT Global GGA in the form of advance payments from EQT associated with the Rate Relief Shares (as defined below) acquired by Equitrans Midstream as consideration for certain commercial terms and the initial fair value of the Henry Hub cash bonus payment provision (as defined below). The contract liabilities are classified as current or non-current according to when such amounts are expected to be recognized. As of March 31, 2020, the contract liabilities are classified as non-current as none of the deferred revenue is expected to be recognized in revenue during the next five years.

Contracts requiring advance payments and the recognition of contract liabilities are evaluated to determine whether the advance payments provide the Company with a significant financing benefit. This determination requires significant judgment and is based on the combined effect of the expected length of time between when the Company transfers the promised good or service to the customer and when the customer pays for those goods or services and the prevailing interest rates. The Company has assessed the EQT Global GGA and determined that this agreement does not contain a significant financing component.

The following table presents changes in the Company's deferred revenue balances during the three months ended March 31, 2020:

	Deferred Revenue
	(Thousands)
Balance as of January 1, 2020	\$ —
Amounts recorded during the period	173,005
Amounts transferred during the period ^(a)	—
Balance as of March 31, 2020	<u>\$ 173,005</u>

(a) Deferred revenues are recognized as revenue upon satisfaction of the Company's performance obligation to the customer.

Summary of Remaining Performance Obligations. The following table summarizes the estimated transaction price allocated to the Company's remaining performance obligations under all contracts with firm reservation fees and MVCs as of March 31, 2020 that the Company will invoice or transfer from contract liabilities and recognize in future periods.

	2020(a)	2021	2022	2023	2024	Thereafter	Total
	(Thousands)						
Gathering firm reservation fees	\$ 76,009	\$ 173,406	\$ 175,674	\$ 173,691	\$ 170,621	\$ 1,388,240	\$ 2,157,641
Gathering revenues supported by MVCs	382,384	570,492	606,232	638,577	633,626	5,356,728	8,188,039
Transmission firm reservation fees	255,426	374,688	371,639	333,315	273,711	2,505,063	4,113,842
Water revenues supported by MVCs	27,017	60,000	60,000	60,000	60,000	60,000	327,017
Total	<u>\$ 740,836</u>	<u>\$ 1,178,586</u>	<u>\$ 1,213,545</u>	<u>\$ 1,205,583</u>	<u>\$ 1,137,958</u>	<u>\$ 9,310,031</u>	<u>\$ 14,786,539</u>

(a) April 1, 2020 through December 31, 2020.

Based on total projected contractual revenues, including projected contractual revenues from future capacity expected from expansion projects that are not yet fully constructed for which the Company has executed firm contracts, the Company's firm gathering contracts and firm transmission and storage contracts had weighted average remaining terms of approximately 15 years and 14 years, respectively, as of March 31, 2020.

EQT Global GGA. On the EQT Global GGA Effective Date, EQM entered into the EQT Global GGA with EQT for the provision by EQM of certain gas gathering services to EQT in the Marcellus and Utica Shales of Pennsylvania and West Virginia. Pursuant to the EQT Global GGA, EQT is subject to an initial annual MVC of 3.0 Bcf per day that gradually steps up to 4.0 Bcf per day for several years following the in-service date of the MVP. The EQT Global GGA runs from the EQT Global GGA Effective Date through December 31, 2035, and will renew annually thereafter unless terminated by EQT or EQM pursuant to its terms. Pursuant to the EQT Global GGA, EQM has certain obligations to build connections to connect EQT wells to its gathering system, which are subject to geographical limitations in relation to the dedicated area in Pennsylvania and West Virginia, as well as the distance of such connections to EQM's then-existing gathering system. Management has estimated the total consideration expected to be received over the life of the EQT Global GGA, including gathering MVC revenue with a declining rate structure, the fair value of the Rate Relief Shares and the initial fair value of the Henry Hub cash bonus payment provision. The total consideration is allocated proportionally to the performance obligation under the contract, which is to provide daily MVC capacity over the life of the contract, to recognize revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. The performance obligations will be satisfied during the life of the contract based on a units of production methodology for the daily MVC capacity provided to EQT. Due to the declining rate structure, there will be periods during which the billable gathering MVC revenue will exceed the allocated consideration to the performance obligation, which will result in billable gathering MVC revenue being deferred to the contract liability. The deferred consideration amounts are deferred until recognized in revenue when the associated performance obligation has been satisfied and are classified as current or non-current according to when such amounts are expected to be recognized. In addition to the estimated total consideration allocated to the daily MVC, the EQT Global GGA includes other fees based on variable or volumetric-based services that will be recognized in the period the services are provided.

The EQT Global GGA provides for potential cash bonus payments payable by EQT to EQM during the period beginning on the first day of the calendar quarter in which the MVP in-service date occurs through the earlier of the twelfth calendar quarter from that point, or the calendar quarter ending December 31, 2024 (the Henry Hub cash bonus payment provision). The potential cash bonus payments are conditioned upon the quarterly average of the NYMEX Henry Hub Natural Gas First of the Month Closing Index Price exceeding certain price thresholds. The Henry Hub cash bonus payment provision meets the definition of an embedded derivative that should be bifurcated from the host contract and accounted for separately in accordance with ASC 815, *Derivatives and Hedging*. The embedded derivative was recorded as a derivative asset at its estimated fair value at inception of approximately \$51.5 million and as part of the contract liability to be included in the total

consideration to be allocated to the performance obligation under ASC 606. Subsequent changes to the fair value of the derivative instrument through the end of the contract are recognized in other income on the Company's statements of consolidated comprehensive income. As of March 31, 2020, the estimated fair value of the Henry Hub cash bonus payment provision was \$55.7 million and is recorded in other assets on the Company's consolidated balance sheets.

The gathering MVC fees payable by EQT (or its affiliates) to EQM set forth in the EQT Global GGA are subject to potential reductions for certain contract years as set forth in the EQT Global GGA, conditioned upon the in-service date of the MVP, which provide for estimated aggregate fee relief of approximately \$270 million in the first year after the in-service date of the MVP, approximately \$230 million in the second year after the in-service date of the MVP and approximately \$35 million in the third year after the in-service date of the MVP. In addition, if the MVP in-service date has not occurred by January 1, 2022, EQT has an option, exercisable for a period of twelve months (or such shorter period if the in-service date of the MVP occurs), to forgo approximately \$145 million of the gathering fee relief in the first year after the MVP in-service date and approximately \$90 million of the gathering fee relief in the second year after the MVP in-service date in exchange for a cash payment from EQM to EQT in the amount of approximately \$196 million (the EQT Cash Option). As consideration for the additional rate relief subject to the EQT Cash Option, the Company purchased shares of its common stock (see Rate Relief Shares discussed and defined below) from EQT. The consideration received for future contractual rate relief associated with the Rate Relief Shares was recorded at a fair value of approximately \$121.5 million as a contract liability in accordance with ASC 606 and will be recognized as revenue over the life of the contract. As of March 31, 2020, the total contract liability balance was approximately \$173 million. For the three months ended March 31, 2020, no revenue was recognized related to the contract liability.

Water Services Letter Agreement. On February 26, 2020, EQM entered into a letter agreement with EQT, pursuant to which EQT agreed to utilize EQM for the provision of water services in Pennsylvania under one or more water services agreements to be negotiated between the parties (the Water Services Letter Agreement). The Water Services Letter Agreement is effective as of the first day of the first month following the MVP in-service date and shall expire on the fifth anniversary of such date. During each year of the Water Services Letter Agreement, EQT agreed that MVC fees payable to EQM for services pursuant to the Water Services Letter Agreement (or the related agreements) shall be equal to or greater than \$60 million per year.

Share Purchase Agreements. On February 26, 2020, the Company entered into two share purchase agreements (the Share Purchase Agreements) with EQT, pursuant to which the Company agreed to (i) purchase 4,769,496 shares of Equitrans Midstream common stock (the Cash Shares) from EQT in exchange for approximately \$46 million in cash, (ii) purchase 20,530,256 shares of Equitrans Midstream common stock (the Rate Relief Shares and, together with the Cash Shares, the Share Purchases) from EQT in exchange for a promissory note in the aggregate principal amount of approximately \$196 million (which EQT subsequently assigned to EQM as consideration for certain commercial terms under the EQT Global GGA), and (iii) pay EQT cash in the amount of approximately \$7 million (the Cash Amount). On March 5, 2020, the Company completed the Share Purchases and paid the Cash Amount. The Company used proceeds from the EQM Credit Facility (defined in Note 9) to fund the purchase of the Cash Shares and to pay the Cash Amount in addition to other uses of proceeds. After the closing of the Share Purchases, the Company retired the Cash Shares and the Rate Relief Shares. Additionally, the Company recorded a \$17.2 million deferred tax liability in conjunction with the Rate Relief Shares. Following the closing of the Share Purchases, as of March 31, 2020, EQT owned, directly or indirectly, 25,299,751 shares of Equitrans Midstream common stock.

7. Related Party Transactions

Related Party Transactions with EQT

As of March 31, 2020, EQT remained a related party of the Company due to its ownership of 25,299,751 shares of Equitrans Midstream common stock, which represented an approximately 11.0% ownership interest in the Company. In the ordinary course of business, the Company, through EQM, engaged, and continues to engage, as applicable, in transactions with EQT and its affiliates, including, but not limited to, gathering agreements (including the EQT Global GGA), transportation service and precedent agreements, storage agreements and water services agreements.

Tax Matters Agreement. On November 12, 2018, in connection with the Separation and Distribution, the Company and EQT entered into a the Tax Matters Agreement that governs the parties' respective rights, responsibilities and obligations with respect to taxes (including taxes arising in the ordinary course of business and taxes, if any, incurred as a result of any failure of the Distribution and certain related transactions to qualify as generally tax-free for U.S. federal income tax purposes), tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and assistance and cooperation with respect to tax matters. In addition, the Tax Matters Agreement imposes certain restrictions on the Company and its subsidiaries, including restrictions on certain equity issuances, business combinations, sales of assets and similar transactions, that are designed to preserve the tax-free status of the Distribution and certain related transactions.

The Tax Matters Agreement provides special rules that allocate tax liabilities in the event that the Distribution, together with certain related transactions, is not tax-free. In general, under the Tax Matters Agreement, each party is expected to be responsible for any taxes, whether imposed on the Company or EQT, that arise from (i) the failure of the Distribution, together with certain related transactions, to qualify for tax-free treatment, or (ii) if certain related transactions were to fail to qualify for their intended tax treatment, in each case, to the extent that the failure to qualify is attributable to actions, events or transactions relating to such party's respective stock, assets or business or a breach of the relevant representations or covenants made by that party in the Tax Matters Agreement.

Credit Letter Agreement. On February 26, 2020, in connection with the execution of the EQT Global GGA, EQM and EQT entered into a letter agreement (the Credit Letter Agreement) pursuant to which, among other things, (a) EQM agreed to relieve certain credit posting requirements for EQT, in an amount up to approximately \$250 million, under its commercial agreements with EQM, subject to EQT maintaining a minimum credit rating from two of three rating agencies of (i) Ba3 with Moody's Investors Service (Moody's), (ii) BB- with S&P Global Ratings (S&P) and (iii) BB- with Fitch Investor Services (Fitch) and (b) EQM agreed to use commercially reasonable good faith efforts to negotiate similar credit support arrangements for EQT in respect of its commitments to the MVP Joint Venture.

EQT Global GGA. See Notes 4 and 6 for further detail.

Water Services Letter Agreement. See Note 6 for further detail.

Share Purchase Agreements. See Note 6 for further detail.

8. Investments in Unconsolidated Entity

The MVP Joint Venture is constructing the MVP, an estimated 300-mile natural gas interstate pipeline that will span from northern West Virginia to southern Virginia. EQM will operate the MVP and owned a 45.7% interest in the MVP project as of March 31, 2020. On November 4, 2019, Con Edison exercised an option to cap its investment in the MVP project at approximately \$530 million (excluding AFUDC). EQM and NextEra Energy, Inc. are obligated to, and RGC Resources, Inc., another member of the MVP Joint Venture owning an interest in the MVP project, has opted to, fund the shortfall in Con Edison's capital contributions, on a pro rata basis. As a result, based on the MVP Joint Venture's current budget for the project, EQM expects to fund an additional approximately \$86 million (excluding AFUDC) in capital contributions to the MVP Joint Venture for the MVP project, and EQM's equity ownership in the MVP Joint Venture would progressively increase from 45.7% to approximately 47.0%. The MVP Joint Venture is a variable interest entity because it has insufficient equity to finance its activities during the construction stage of the project. The Company, through EQM, is not the primary beneficiary of the MVP Joint Venture because the Company does not have the power to direct the activities that most significantly affect the MVP Joint Venture's economic performance. Certain business decisions, such as decisions to make distributions of cash, require a greater than 66 2/3% ownership interest approval, and no one member owns more than a 66 2/3% interest.

In April 2018, the MVP Joint Venture announced the MVP Southgate project, a proposed 75-mile interstate pipeline that will extend from the MVP at Pittsylvania County, Virginia to new delivery points in Rockingham and Alamance Counties, North Carolina. EQM will operate the MVP Southgate pipeline and owned a 47.2% interest in the MVP Southgate project as of March 31, 2020.

In February 2020, the MVP Joint Venture issued a capital call notice for the funding of the MVP project to MVP Holdco, LLC (MVP Holdco), a wholly owned subsidiary of EQM, for \$87.4 million, of which \$10.0 million and \$23.2 million was paid in April 2020 and May 2020, respectively, and \$54.2 million is expected to be paid in June 2020. The capital contributions payable and the corresponding increase to the investment balance are reflected on the consolidated balance sheet as of March 31, 2020.

The interests in the MVP and MVP Southgate projects are equity method investments for accounting purposes because EQM has the ability to exercise significant influence, but not control, over the MVP Joint Venture's operating and financial policies. Accordingly, EQM records adjustments to the investment balance for contributions to or distributions from the MVP Joint Venture and for EQM's pro-rata share of MVP Joint Venture earnings.

Equity income, which is primarily related to EQM's pro-rata share of the MVP Joint Venture's AFUDC on the construction of the MVP, is reported in equity income in the Company's statements of consolidated comprehensive income.

Pursuant to the MVP Joint Venture's limited liability company agreement, MVP Holdco is obligated to provide performance assurances, which may take the form of a guarantee from EQM (provided that EQM's debt is rated as investment grade in accordance with the requirements of the MVP Joint Venture's limited liability company agreement), a letter of credit or cash collateral, in favor of the MVP Joint Venture to provide assurance as to the funding of MVP Holdco's proportionate share of the

construction budget for the MVP project. In 2019, EQM issued performance guarantees in an amount equal to 33% of EQM's proportionate share of the then-remaining construction budget for the MVP project. As of December 31, 2019, EQM's performance guarantee was approximately \$223 million, adjusted for capital contributions made by EQM during the fourth quarter of 2019.

In addition, pursuant to the MVP Joint Venture's limited liability company agreement, MVP Holdco is obligated to provide performance assurances in respect of MVP Southgate, which performance assurances may take the form of a guarantee from EQM (provided that EQM's debt is rated as investment grade in accordance with the requirements of the MVP Joint Venture's limited liability company agreement), a letter of credit or cash collateral. In 2019, EQM issued a performance guarantee of \$14 million in favor of the MVP Joint Venture for the MVP Southgate project.

As a result of EQM's credit rating downgrades in the first quarter of 2020, EQM delivered replacement credit support to the MVP Joint Venture, in the form of letters of credit in the amounts of approximately \$220.2 million and \$14.2 million with respect to the MVP project and MVP Southgate project, respectively. In connection with delivering such letters of credit as replacement performance assurances, EQM's performance guarantees associated with the MVP and MVP Southgate projects were terminated. As of March 31, 2020, the letters of credit with respect to the MVP project and MVP Southgate project were in the amounts of approximately \$220.2 million and \$14.2 million, respectively. Upon the FERC's initial release to begin construction of the MVP Southgate project, EQM's current letter of credit to support MVP Southgate will be terminated, and EQM will be obligated to deliver a new letter of credit (or provide another allowable form of performance assurance) in an amount equal to 33% of MVP Holdco's proportionate share of the remaining capital obligations for the MVP Southgate project under the applicable construction budget.

As of March 31, 2020, EQM's maximum financial statement exposure related to the MVP Joint Venture was approximately \$2,613 million, which consists of the investment in unconsolidated entity balance on the consolidated balance sheet as of March 31, 2020, net of capital contributions payable, and the letters of credit outstanding under the Amended EQM Credit Facility.

The following tables summarize the unaudited condensed consolidated financial statements of the MVP Joint Venture in relation to the MVP project.

Condensed Consolidated Balance Sheets

	March 31, 2020	December 31, 2019
	(Thousands)	
Current assets	\$ 218,073	\$ 102,638
Non-current assets	5,138,016	4,951,521
Total assets	<u>\$ 5,356,089</u>	<u>\$ 5,054,159</u>
Current liabilities	\$ 195,105	\$ 223,645
Equity	5,160,984	4,830,514
Total liabilities and equity	<u>\$ 5,356,089</u>	<u>\$ 5,054,159</u>

Condensed Statements of Consolidated Operations

	Three Months Ended March 31,	
	2020	2019
	(Thousands)	
Environmental remediation reserve	\$ (265)	\$ (2,192)
Other income	231	2,913
Net interest income	35,326	20,086
AFUDC — equity	82,428	46,868
Net income	<u>\$ 117,720</u>	<u>\$ 67,675</u>

9. Debt

Equitrans Midstream Term Loan Facility. In December 2018, Equitrans Midstream entered into a term loan credit agreement (as amended in May 2019, the ETRN Term Loan Credit Agreement) that provided for a senior secured term loan facility in an aggregate principal amount of \$600 million (the ETRN Term Loans). The Company received net proceeds from the ETRN Term Loans of \$568.1 million, inclusive of a discount of \$18.0 million and estimated debt issuance costs of \$13.9 million. The net proceeds were primarily used to fund the EQGP Buyout, including certain fees, costs and expenses in connection therewith, and the remainder was used for general corporate purposes. On March 3, 2020, EQM drew \$650.0 million under the Amended EQM Credit Facility and transferred such funds to the Company pursuant to a senior unsecured term loan agreement with the Company. The Company utilized a portion of such funds to pay off amounts outstanding under the ETRN Term Loans and the ETRN Term Loan Credit Agreement was terminated. As a result, the Company wrote off \$24.4 million of unamortized discount and financing costs related to the ETRN Term Loan Credit Agreement. The write off charge is included in the loss on early extinguishment of debt line on the statements of consolidated comprehensive income. As of December 31, 2019, the current portion of the ETRN Term Loans was \$6.0 million and was recorded in the current portion of long-term debt on the consolidated balance sheet. The Company had \$594.0 million of borrowings outstanding and no letters of credit outstanding under the ETRN Term Loan Credit Agreement as of December 31, 2019. During the period from January 1, 2020 to March 3, 2020 and for the three months ended March 31, 2019, the weighted average annual interest rates were approximately 6.2% and 6.8%, respectively.

Equitrans Midstream Credit Facility. In October 2018, Equitrans Midstream entered into a senior secured revolving credit facility agreement that provided for \$100 million in borrowing capacity (the Equitrans Midstream Credit Facility). Equitrans Midstream amended the Equitrans Midstream Credit Facility on December 31, 2018 to, among other things, permit the incurrence of the borrowings under the ETRN Term Loan Credit Agreement. The Equitrans Midstream Credit Facility, which was available for general corporate purposes and to fund ongoing working capital requirements, was terminated on March 3, 2020 in conjunction with the Company's payoff of the ETRN Term Loan Credit Agreement (see below). As a result, the Company wrote off \$0.5 million of unamortized financing costs related to the Equitrans Midstream Credit Facility. The write off charge is included in the loss on early extinguishment of debt line on the statements of consolidated comprehensive income. The Company had no borrowings and no letters of credit outstanding under the Equitrans Midstream Credit Facility as of December 31, 2019 or during the period from January 1, 2020 to March 3, 2020. For the three months ended March 31, 2019, the maximum outstanding borrowings was approximately \$44 million, the average daily balance was approximately \$12 million, and the weighted average annual interest rate was approximately 4.2%. Commitment fees paid to maintain credit availability under the credit facility were \$0.1 million for both the three months ended March 31, 2020 and March 31, 2019.

Amended EQM Revolving Credit Facility and 2019 EQM Term Loan Agreement. On October 31, 2018, EQM amended and restated its unsecured revolving credit facility to increase the borrowing capacity from \$1 billion to \$3 billion and extend the term to October 2023 (the EQM Credit Facility). In August 2019, EQM entered into a term loan agreement (the 2019 EQM Term Loan Agreement) that provided for unsecured term loans (the EQM Term Loans) in an aggregate principal amount of \$1.4 billion.

On March 30, 2020 (the Loan Amendment Date), EQM entered into (i) an amendment (the EQM Credit Facility Amendment) to the EQM Credit Facility (as amended by the EQM Credit Facility Amendment, the Amended EQM Credit Facility) and (ii) an amendment (the Term Loan Amendment) to the 2019 EQM Term Loan Agreement (as amended by the Term Loan Amendment, the Amended 2019 EQM Term Loan Agreement).

The EQM Credit Facility Amendment and the Term Loan Amendment each amended, among other things:

- certain defined terms in the EQM Credit Facility and the 2019 EQM Term Loan Agreement, as applicable, including:
 - the Applicable Rate (as defined in the respective credit agreements) such that: (i) Base Rate Loans (as defined in the respective credit agreements) bear interest at a Base Rate (as defined in the respective credit agreements) plus a margin of 0.125% to 1.750% for borrowings under the Amended EQM Credit Facility or a margin of 0.000% to 1.625% for borrowings under the Amended 2019 EQM Term Loan Agreement, each determined on the basis of EQM's then current credit rating, and (ii) Eurodollar Rate Loans (as defined in the respective credit agreements) bear interest at a Eurodollar Rate (as defined in the respective credit agreements) plus a margin of 1.125% to 2.750% for borrowings under the Amended EQM Credit Facility or a margin of 1.000% to 2.625% for borrowings under the Amended 2019 EQM Term Loan Agreement also determined on the basis of EQM's then current credit rating; and
 - "Consolidated EBITDA" to allow for adjustment of "Consolidated EBITDA" in any applicable period for the difference between the amount of revenue recognized with respect to all contractual performance obligations and the amount of consideration received with respect to all contractual performance obligations; and

- certain negative covenants, including:
 - the financial covenant pursuant to which, except for certain measurement periods following the consummation of certain acquisitions during which the consolidated leverage ratio cannot exceed the greater of 5.50 to 1.00 or the maximum ratio otherwise permitted for the applicable period, the consolidated leverage ratio cannot exceed, (a) for each fiscal quarter ending prior to the Loan Amendment Date, 5.00 to 1.00, (b) for each fiscal quarter ending on and after the Loan Amendment Date and on or prior to March 31, 2021, 5.75 to 1.00, (c) for each fiscal quarter ending on and after June 30, 2021 and on or prior to December 31, 2021, 5.50 to 1.00, (d) for each fiscal quarter ending on and after March 31, 2022 and on or prior to December 31, 2022, 5.25 to 1.00, and (e) for each fiscal quarter ending on and after March 31, 2023, 5.00 to 1.00; and
 - the lien covenant such that the specified percentage of Consolidated Net Tangible Assets (as defined in the respective credit agreements) applicable to the existing exception for liens securing obligations not to exceed such specified percentage at the time of creation, incurrence, assumption or imposition of such lien is reduced from 15% to 5% of Consolidated Net Tangible Assets; and
 - the debt covenant such that the specified percentage of Consolidated Net Tangible Assets applicable to the existing exception for debt incurred by subsidiaries of EQM not to exceed such specified percentage at the time of incurrence is reduced from 15% to 5% of Consolidated Net Tangible Assets.

The EQM Credit Facility Amendment also amended various other defined terms, including the definition of "Change of Control", which result in conformity with the Amended 2019 EQM Term Loan Agreement.

The Amended EQM Credit Facility is available for general partnership purposes, including to purchase assets, to fund working capital requirements and capital expenditures, to pay distributions and to repurchase units. Subject to satisfaction of certain conditions, the Amended EQM Credit Facility has an accordion feature that allows EQM to increase the available borrowings under the facility by up to an additional \$750 million. The Amended EQM Credit Facility has a sublimit of up to \$250 million for same-day swing line advances and a sublimit of up to \$400 million for letters of credit. In addition, EQM has the ability to request that one or more lenders make available term loans under the Amended EQM Credit Facility, subject to the satisfaction of certain conditions. As of March 31, 2020, no term loans were outstanding under the Amended EQM Credit Facility. Such term loans would be secured by cash and qualifying investment grade securities.

As of March 31, 2020, EQM had approximately \$1,430 million of borrowings and \$235 million of letters of credit outstanding under the Amended EQM Credit Facility. As of December 31, 2019, EQM had approximately \$610 million of borrowings and \$1 million of letters of credit outstanding under the Amended EQM Credit Facility. During the three months ended March 31, 2020, the maximum outstanding borrowings at any time were approximately \$1,560 million and the average daily balance was approximately \$1,027 million. EQM incurred interest at a weighted average annual interest rate of approximately 3.2% for the three months ended March 31, 2020. During the three months ended March 31, 2019, the maximum outstanding borrowings at any time were approximately \$1.1 billion and the average daily balance was approximately \$942 million. EQM incurred interest at a weighted average annual interest rate of approximately 3.9% for the three months ended March 31, 2019. For the three months ended March 31, 2020 and 2019, commitment fees of \$1.2 million and \$1.0 million, respectively, were paid to maintain credit availability under the credit facility.

The EQM Term Loans mature in August 2022. EQM received net proceeds from the issuance of the EQM Term Loans of \$1,397.4 million, inclusive of debt issuance costs of \$2.6 million. The net proceeds were primarily used to repay borrowings under the Amended EQM Credit Facility and the remainder was used for general partnership purposes. The Amended 2019 EQM Term Loan Agreement provides EQM with the right to request incremental term loans in an aggregate amount of up to \$300 million, subject to, among other things, obtaining additional commitments from existing lenders or commitments from new lenders. EQM had \$1.4 billion of borrowings outstanding under the Amended 2019 EQM Term Loan Agreement as of March 31, 2020 and December 31, 2019. During the three months ended March 31, 2020, the weighted average annual interest rate for the period was approximately 3.2%.

The Amended EQM Credit Facility and the Amended 2019 EQM Term Loan Agreement each contain certain negative covenants that, among other things, limit restricted payments, the incurrence of debt, dispositions, mergers and fundamental changes, and transactions with affiliates. The EQM Credit Facility Amendment and Term Loan Amendment, as applicable, each added an additional negative covenant, which subject to certain exceptions, limits the ability of EQM and certain of its subsidiaries to enter into agreements that restrict (a) subsidiary dividends and distributions, (b) subsidiary guarantees of the obligations under the Amended EQM Credit Facility or Amended 2019 EQM Term Loan Agreement, or (c) creation of liens to secure obligations under the Amended EQM Credit Facility or the Amended 2019 EQM Term Loan Agreement.

In addition, the Amended EQM Credit Facility and Amended 2019 EQM Term Loan Agreement contain certain specified events of default, including, among others, failure to make certain payments (subject to specified grace periods in some cases), failure to observe covenants (subject to specified grace periods in some cases), cross-defaults to certain other material debt, certain specified insolvency or bankruptcy events and the occurrence of a change of control event, in each case, the occurrence of which would allow the lenders to accelerate EQM's payment obligations under the Amended EQM Credit Facility or Amended 2019 EQM Term Loan Agreement.

Eureka Credit Facility. Eureka Midstream, LLC (Eureka), a wholly owned subsidiary of Eureka Midstream, has a \$400 million senior secured revolving credit facility that is available for general business purposes, including financing maintenance and expansion capital expenditures related to the Eureka system and providing working capital for Eureka's operations (the Eureka Credit Facility).

As of each of March 31, 2020 and December 31, 2019, Eureka had approximately \$293 million of borrowings outstanding under the Eureka Credit Facility. For the three months ended March 31, 2020, the maximum amount of outstanding borrowings under the Eureka Credit Facility at any time was approximately \$293 million, the average daily balance was approximately \$293 million and Eureka incurred interest at a weighted average annual interest rate of approximately 3.9%. For the three months ended March 31, 2020, commitment fees of \$0.2 million were paid to maintain credit availability under the credit facility.

As of March 31, 2020, EQM and Eureka were in compliance with all debt provisions and covenants.

10. Fair Value Measurements

Assets Measured at Fair Value on a Recurring Basis. The Company records derivative instruments at fair value on a gross basis in its consolidated balance sheets. The Henry Hub cash bonus payment provision, as described in Note 6, is recorded at its estimated fair value based on the quarterly averages of prices of NYMEX Henry Hub natural gas futures prices exceeding certain price thresholds applied to contractual MVCs with the EQT Global GGA, beginning with the first day of the calendar quarter in which the MVP in-service occurs and continuing through the earlier of the last day of the twelfth calendar quarter from that point, or the calendar quarter ending December 31, 2024. The fair value of the Henry Hub cash bonus payment provision is derived using a Monte Carlo simulation model. Significant inputs used in the fair value measurement include NYMEX Henry Hub natural gas futures prices as of the date of valuation, risk-free interest rates based on U.S. Treasury rates, expected volatility of NYMEX Henry Hub futures prices and an estimated credit spread of EQT. The expected volatility of NYMEX Henry Hub futures prices used in the valuation methodology represents a significant unobservable input causing the Henry Hub cash bonus payment provision to be designated as a Level 3 fair value measurement. As of March 31, 2020, the fair value of the Henry Hub cash bonus payment provision was \$55.7 million and is recorded in other assets on the Company's consolidated balance sheets. During the quarter ended March 31, 2020, the Company recognized a gain of \$4.2 million representing the change in estimated fair value of the derivative instrument during the period. The gain is reflected in other income in the Company's statements of consolidated comprehensive income.

Other Financial Instruments. The carrying values of cash and cash equivalents, accounts receivable, amounts due to/from related parties and accounts payable approximate fair value due to the short maturity of the instruments; as such, their fair values are Level 1 fair value measurements. The carrying values of borrowings under the Amended EQM Credit Facility, the Eureka Credit Facility and the Amended 2019 EQM Term Loan Agreement approximate fair value as the interest rates are based on prevailing market rates; these are considered Level 1 fair value measurements. As EQM's borrowings under its senior notes are not actively traded, their fair values are estimated using an income approach model that applies a discount rate based on prevailing market rates for debt with similar remaining time-to-maturity and credit risk; as such, their fair values are Level 2 fair value measurements. Effective on March 3, 2020, the ETRN Term Loans were paid off with proceeds from the Amended EQM Credit Facility (see Note 9), and the ETRN Term Loan Credit Agreement was terminated. As of December 31, 2019, the estimated fair value of the ETRN Term Loans was approximately \$595 million and the carrying value of the ETRN Term Loans was approximately \$568 million. As of March 31, 2020 and December 31, 2019, the estimated fair value of EQM's senior notes was approximately \$2,267 million and \$3,421 million, respectively, and the carrying value of EQM's senior notes was approximately \$3,463 million and \$3,462 million, respectively. The fair value of the Preferred Interest is a Level 3 fair value measurement and is estimated using an income approach model that applies a market-based discount rate. As of March 31, 2020 and December 31, 2019, the estimated fair value of the Preferred Interest was approximately \$120 million and \$126 million, respectively, and the carrying value of the Preferred Interest was approximately \$109 million and \$110 million, respectively.

11. Earnings Per Share

The following table sets forth the computation of the basic and diluted earnings per share attributable to Equitrans Midstream:

	Three Months Ended March 31,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Net income	\$ 189,560	\$ 189,560	\$ 199,566	\$ 199,566
Net income attributable to noncontrolling interests (excluding Series A Preferred Units)	94,327	94,327	143,267	143,267
Series A Preferred Units interest in net income	25,501	25,501	—	—
Net income attributable to Equitrans Midstream ^(a)	<u>\$ 69,732</u>	<u>\$ 69,732</u>	<u>\$ 56,299</u>	<u>\$ 56,299</u>
Basic weighted average common shares outstanding	248,591	248,591	254,776	254,776
Dilutive securities ^(b)	—	—	—	51
Diluted weighted average common shares outstanding	<u>248,591</u>	<u>248,591</u>	<u>254,776</u>	<u>254,827</u>
Earnings per share attributable to Equitrans Midstream	\$ 0.28	\$ 0.28	\$ 0.22	\$ 0.22

(a) For all periods presented, the impact of EQM's dilutive securities did not have a material impact on the Company's diluted earnings per share.

(b) For the three months ended March 31, 2020, the Company excluded 521,722 potentially dilutive securities because the impact would have been anti-dilutive.

12. Income Taxes

The Company's effective tax rate was 9.2% for the three months ended March 31, 2020, compared to 14.0% for the three months ended March 31, 2019. The effective tax rate was lower due to the impact of net income attributable to noncontrolling interests and AFUDC on lower income before taxes due to deferred revenue related to the EQT Global GGA and impairment expense. Excluding other items, the effective tax rates for both periods are lower than the statutory rates because the Company does not record income tax expense on the portion of its income attributable to the noncontrolling limited partners of EQM, the noncontrolling member of Eureka Midstream and, for the period prior to the EQGP Buyout, the noncontrolling limited partners of EQGP.

13. Consolidated Variable Interest Entities

As of March 31, 2020, the Company determined EQM to be a variable interest entity. In addition, for the period from January 1, 2019 to January 10, 2019, EQGP was also a variable interest entity. Through the Company's ownership and control of the general partners of EQGP and EQM, the Company had the power to direct the activities that most significantly affected EQGP's and EQM's economic performance during the periods presented.

Through the Company's limited partner interests in EQGP prior to the EQGP Buyout, general partner interest in EQGP, limited partner interests and IDRs in EQM prior to the EQM IDR Transaction, and limited partner interests in EQM following the EQM IDR Transaction, the Company had the right to receive benefits from, as well as the obligation to absorb the losses of, EQGP and EQM during the applicable periods.

On January 10, 2019, following the completion of the EQGP Buyout, EQGP became a wholly owned subsidiary of the Company. As the Company is the primary beneficiary of and has a controlling financial interest in EQGP and EQM, the Company consolidated EQGP, which, prior to the EQGP Buyout, consolidated EQM for the periods presented. See Note 2. The Company continues to consolidate EQM and, through EQM, EQGP.

The risks associated with the operations of EQM are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, as updated by any Quarterly Reports on Form 10-Q. See further discussion of the impact that Equitrans Midstream's ownership and control of EQM had on Equitrans Midstream's financial position, results of operations and cash flows included in Equitrans Midstream's Annual Report on Form 10-K for the year ended December 31, 2019, as updated by any Quarterly Reports on Form 10-Q, including in the sections captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The following table presents assets and liabilities included in the Company's consolidated balance sheets that were for the use or obligation of EQM, inclusive of receivables and payables due from or to related parties.

	March 31, 2020	December 31, 2019
	(Thousands)	
ASSETS		
Cash and cash equivalents	\$ 14,267	\$ 15,760
Accounts receivable, net ^(a)	249,061	254,109
Other current assets	39,279	25,004
Net property, plant and equipment	7,740,231	7,715,122
Investment in unconsolidated entity	2,465,827	2,324,108
Goodwill	486,698	486,698
Net intangible assets	765,205	797,439
Other assets	251,666	196,779
LIABILITIES		
Accounts payable	\$ 103,814	\$ 126,786
Capital contributions payable to the MVP Joint Venture	87,647	45,150
Accrued interest	44,662	73,366
Accrued liabilities	31,009	31,550
Revolving credit facility borrowings ^(b)	1,722,500	902,500
EQM long-term debt	4,860,096	4,859,499
Contract liability ^(c)	247,342	—
Regulatory and other long-term liabilities	78,099	78,397

(a) Accounts receivable as of March 31, 2020 and December 31, 2019 included \$183.4 million and \$175.2 million, respectively, of related party accounts receivable from EQT.

(b) As of March 31, 2020, EQM had credit facility borrowings outstanding of approximately \$1,430 million and \$293 million on the Amended EQM Credit Facility and the Eureka Credit Facility, respectively (both defined in Note 9). As of December 31, 2019, EQM had credit facility borrowings outstanding of approximately \$610 million and \$293 million on the Amended EQM Credit Facility and the Eureka Credit Facility, respectively. See Note 9 for further detail.

(c) Includes approximately \$74.3 million of contract liability that is eliminated by the Company in consolidation.

The following table summarizes EQM's statements of consolidated operations and cash flows, inclusive of transactions with related parties.

	Three Months Ended March 31,	
	2020	2019
	(Thousands)	
Operating revenues	\$ 453,113	\$ 389,782
Operating expenses	201,699	121,768
Other income (expenses), net	3,871	(16,083)
Net income	\$ 255,285	\$ 251,931
Net cash provided by operating activities	\$ 285,136	\$ 160,973
Net cash used in investing activities	\$ (845,857)	\$ (350,357)
Net cash provided by financing activities	\$ 559,228	\$ 245,708

14. Stock-based Compensation Plans

2020 Performance Share Unit Program. Effective in 2020, the Management Development and Compensation Committee of the Board of Directors of the Company (the Compensation Committee) adopted the 2020 Performance Share Unit Program (2020 PSU Program) under the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan. The 2020 PSU Program was

established to align the interests of key employees with the interests of shareholders and the strategic objectives of the Company.

During the three months ended March 31, 2020, a total of 1,164,890 units were granted under the 2020 PSU Program. The vesting of the units under the 2020 PSU Program will occur upon payment after December 31, 2022 (the end of the three-year performance period), assuming continued employment with the Company. The 2020 PSU Program is composed of a Performance Period, which is January 1, 2020 to December 31, 2022, and three Sub-Periods which are the full calendar years of 2020, 2021 and 2022. The payout will vary between zero and 200% of the number of outstanding units in the Performance Period and each Sub-Period, contingent upon the level of total shareholder return relative to a predefined peer group during each period. The Performance Period is weighted at 40% and each of the Sub-Periods are weighted at 20%. If earned at the target payout level of 100%, 737,390 of the 2020 PSU Program units are expected to be distributed in Company common stock and 427,500 of the 2020 PSU Program units are expected to be paid in cash.

2020 Restricted Stock and Restricted Stock Unit Awards. During the three months ended March 31, 2020, the Compensation Committee granted 491,640 restricted stock equity and 337,370 restricted stock unit liability awards. The restricted stock equity awards and restricted stock unit liability awards will be fully vested at the end of the three-year period commencing on January 1, 2020, assuming continued employment with the Company.

EQUITRANS MIDSTREAM CORPORATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of financial condition and results of operations in conjunction with the consolidated financial statements, and the notes thereto, included elsewhere in this report.

CAUTIONARY STATEMENTS

Disclosures in this Quarterly Report on Form 10-Q contain certain forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act. Statements that do not relate strictly to historical or current facts are forward-looking and usually identified by the use of words such as "anticipate," "estimate," "could," "would," "will," "may," "forecast," "approximate," "expect," "project," "intend," "plan," "believe" and other words of similar meaning in connection with any discussion of future operating or financial matters. Without limiting the generality of the foregoing, forward-looking statements contained in this Quarterly Report on Form 10-Q include the matters discussed in the section captioned "Outlook" in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the expectations of plans, strategies, objectives, and growth and anticipated financial and operational performance of Equitrans Midstream and EQM, including:

- guidance regarding EQM's gathering, transmission and storage and water services revenue and volume growth, including the anticipated effects associated with the EQT Global GGA;
- projected revenue (including from firm reservation fees and deferred revenues), expenses and contract liabilities, and the effects on projected revenue and contract liabilities associated with the EQT Global GGA and the MVP project;
- the weighted average contract life of gathering, transmission and storage contracts;
- infrastructure programs (including the timing, cost, capacity and sources of funding with respect to gathering, transmission and storage and water expansion projects);
- the cost, capacity, timing of regulatory approvals, final design and targeted in-service dates of current projects;
- the ultimate terms, partners and structure of the MVP Joint Venture and ownership interests therein;
- expansion projects in EQM's operating areas and in areas that would provide access to new markets;
- EQM's ability to provide produced water handling services and realize expansion opportunities and related capital avoidance;
- Equitrans Midstream's and EQM's ability to identify and complete acquisitions and other strategic transactions, including the proposed EQM Merger and joint ventures, effectively integrate transactions into Equitrans Midstream's and EQM's operations, and achieve synergies, system optionality and accretion associated with transactions, including through increased scale;
- EQM's ability to access commercial opportunities and new customers for its water services business, and the timing and final terms of any definitive water services agreement or agreements between EQT and EQM (a Water Services Agreement) entered into pursuant to the terms of the Water Services Letter Agreement;
- any further credit rating impacts associated with the MVP project, customer credit ratings changes, including EQT's, and defaults, acquisitions and financings and any further changes in EQM's credit ratings;
- the ability of EQM's contracts to survive a customer bankruptcy or restructuring;
- the timing of the consummation of the EQM Merger;
- the ability to obtain the requisite approvals related to the EQM Merger from the Company's shareholders or EQM's limited partners, as applicable, to consummate the EQM Merger;
- the risk that a condition to closing of the EQM Merger may not be satisfied;
- expected transaction expenses related to the EQM Merger and the related transactions;
- the possible diversion of management time on issues related to the EQM Merger;

- the impact and outcome of threatened, pending and future litigation relating to the EQM Merger;
- the timing and amount of future issuances or repurchases of securities, including in connection with the EQM Merger and the Restructuring;
- effects of conversion of EQM securities into Merger Consideration or Equitrans Midstream Preferred Shares, as applicable, in connection with the EQM Merger;
- effects of seasonality;
- expected cash flows and MVCs, including those associated with the EQT Global GGA and any definitive agreement or agreements between EQT and EQM related to the Water Services Letter Agreement, and the potential impacts thereon of the timing and cost of the MVP project;
- capital commitments;
- projected capital contributions and capital and operating expenditures, including the amount and timing of reimbursable capital expenditures, capital budget and sources of funds for capital expenditures;
- dividend and distribution amounts, timing and rates;
- the effect and outcome of pending and future litigation and regulatory proceedings;
- changes in commodity prices and the effect of commodity prices on Equitrans Midstream's business;
- liquidity and financing requirements, including sources and availability;
- interest rates;
- the Company's, EQM's and EQM's subsidiaries' respective abilities to service debt under, and comply with the covenants contained in, their respective credit agreements;
- expectations regarding production volumes in EQM's areas of operations;
- Equitrans Midstream's and EQM's abilities to achieve the anticipated benefits associated with the execution of the EQT Global GGA, the Water Services Letter Agreement, the EQM Merger Agreement and related agreements;
- the impact on the Company and its subsidiaries of the COVID-19 pandemic, including, among other things, effects on demand for natural gas and the Company's services, commodity prices and access to capital;
- the effects of government regulation; and
- tax status and position.

The forward-looking statements included in this Quarterly Report on Form 10-Q involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Equitrans Midstream has based these forward-looking statements on management's current expectations about future events. While Equitrans Midstream considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and are beyond Equitrans Midstream's control. The risks and uncertainties that may affect the operations, performance and results of Equitrans Midstream's and EQM's businesses and forward-looking statements include, but are not limited to, those set forth under "Item 1A. Risk Factors" in Equitrans Midstream's Annual Report on Form 10-K for the year ended December 31, 2019, as may be updated by any subsequent Quarterly Reports on Form 10-Q, including this Quarterly Report on Form 10-Q.

Any forward-looking statement speaks only as of the date on which such statement is made and Equitrans Midstream does not intend to correct or update any forward-looking statement, unless required by securities law, whether as a result of new information, future events or otherwise.

Executive Overview

Net income attributable to Equitrans Midstream was \$69.7 million for the three months ended March 31, 2020 compared with \$56.3 million for the three months ended March 31, 2019. The increase resulted primarily from higher gathering revenues primarily associated with the operating entities acquired with the Bolt-on Acquisition, higher water revenues, higher equity income from the Company's investment in the MVP Joint Venture, lower net income attributable to noncontrolling interests and lower income tax expense, partially offset by impairments to long-lived assets (as discussed in Note 4 to the consolidated financial statements) and loss on early extinguishment of debt (as discussed in Note 9 to the consolidated financial statements).

The following table reconciles the differences between operating income attributable to EQM as reported in EQM's Quarterly Report on Form 10-Q for the three months ended March 31, 2020 and 2019 and operating income attributable to Equitrans Midstream for the same periods.

	Three Months Ended March 31,	
	2020	2019
	(Thousands)	
Operating income attributable to EQM	\$ 251,414	\$ 268,014
Less:		
Separation and other transaction costs	7,256	5,269
Additional expenses, net	2,076	2,704
Operating income attributable to Equitrans Midstream	<u>\$ 242,082</u>	<u>\$ 260,041</u>

Separation and Other Transaction Costs. Separation and other transaction costs represent expenses related to the EQM Merger, the Restructuring, the EQT Global GGA and the Share Purchases of \$7.3 million for the three months ended March 31, 2020 and the expenses related to the EQGP Buyout and the Separation of \$5.3 million for the three months ended March 31, 2019.

During the second quarter of 2020, the Company expects to incur approximately \$15 million to \$20 million of additional transaction costs associated with the EQM Merger.

Additional Expenses, Net. As a result of being a publicly traded company, the Company incurs other operating expenses separate from and in addition to similar costs incurred by EQM.

COVID-19 Update

While the outbreak of COVID-19 had minimal impact on the operations of the Company, EQM and their subsidiaries during the three months ended March 31, 2020, the Company is unable to predict, in light of the ongoing and dynamic nature of the circumstances, any additional impact the outbreak may have on the Company's and EQM's business, results of operations and financial condition. The extent of COVID-19's impact on the Company and EQM will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, duration of the outbreak and related economic effects and after effects (including on the natural gas industry), and actions taken to contain COVID-19 or its impact, among others.

As a result of the outbreak, the Company's and EQM's operations, including EQM's field operations, may be disrupted or become less efficient and instability in financial and credit markets as a result of COVID-19 may adversely affect EQM's customers, as well as the Company and EQM. Further, the Company's and EQM's suppliers and EQM's customers may be adversely affected, including if the outbreak results in an economic downturn or recession, negatively affects the price of, demand for and production of natural gas or prevents or curtails continued natural gas production by EQM's customers, which could reduce demand for EQM's services or heighten EQM's exposure to risk of nonpayment and/or nonperformance. While the natural gas forward strip price has increased since March 31, 2020 primarily reflecting expected declines in production of associated gas (partially due to measures implemented by federal, state and local governments to control the spread of COVID-19 and resulting declines in demand for oil and to a lesser extent natural gas and continued economic uncertainty, as well as the failure, in March 2020, of Saudi Arabia and Russia to agree to cut oil production, which contributed to a sharp drop in the price of oil and an imbalance between the supply of demand for oil), the natural gas forward strip price continued to trend downward during the first three months of 2020 and could be depressed for several years, including as a result of COVID-19, which could affect EQM's customers and, in turn, EQM.

For further information regarding the potential impact of COVID-19, see “*The outbreak of COVID-19 (or any future pandemic), and related declines in economic output and associated demand for natural gas, could harm the business, results of operations and financial condition of each of EQM and us.*” under Part II, "Item 1A. Risk Factors", in this Quarterly Report on Form 10-Q.

The situation surrounding COVID-19 remains fluid, and the Company is actively managing its response in collaboration with relevant parties. As a midstream energy company, the Company and EQM are recognized as an essential business under various regulations related to the COVID-19 pandemic and have continued to operate as permitted under these regulations. The Company and EQM have proactively undertaken a number of companywide measures intended to promote the safety of field and non-field level employees and contractors (including establishing an Infectious Disease Response Team, instituting enhanced self-protection and office sanitation measures, eliminating non-essential business travel, implementing a mandatory work-from-home protocol, sharing the Company’s infectious disease response plan with suppliers and contractors, and timely communicating updates to employees and other relevant parties). The Company’s Infectious Disease Response Team continues to monitor and assist in implementing mitigation efforts in respect of potential areas of risk for the Company and EQM. Additionally, the Company has implemented business continuity plans and provided support to local communities through corporate giving and the Equitrans Midstream Foundation. The Company and EQM have been able to maintain a consistent level of effectiveness through the measures taken. The Company believes that it is following best practices under COVID-19 guidance and intends to continue to refine its practices as additional guidance is released and assess potential impacts from COVID-19 to its financial position and operating results, as well as any regulatory and legislative activities relating to COVID-19 that could impact its business.

Business Segment Results

Operating segments are revenue-producing components of an enterprise for which separate financial information is produced internally and is subject to evaluation by the chief operating decision maker in deciding how to allocate resources. Other income, net interest expense and income tax expense are managed on a consolidated basis. The Company has presented each segment's operating income, equity income and various operational measures in the following sections. Management believes that the presentation of this information is useful to management and investors regarding the financial condition, results of operations and trends of its segments. The Company has reconciled each segment's operating income to the Company's consolidated operating income and net income in Note 5 to the consolidated financial statements.

GATHERING RESULTS OF OPERATIONS

	Three Months Ended March 31,		
	2020	2019	% Change
(Thousands, except per day amounts)			
FINANCIAL DATA			
Firm reservation fee revenues ^(a)	\$ 152,079	\$ 128,959	17.9
Volumetric-based fee revenues	157,968	132,922	18.8
Total operating revenues	310,047	261,881	18.4
Operating expenses:			
Operating and maintenance	18,878	15,253	23.8
Selling, general and administrative	21,235	22,534	(5.8)
Separation and other transaction costs	4,104	3,513	16.8
Depreciation	40,440	28,116	43.8
Amortization of intangible assets	14,581	10,387	40.4
Impairments of long-lived assets	55,581	—	100.0
Total operating expenses	154,819	79,803	94.0
Operating income	\$ 155,228	\$ 182,078	(14.7)
OPERATIONAL DATA			
Gathered volumes (BBtu per day)			
Firm capacity reservation ^(b)	3,282	2,572	27.6
Volumetric-based services	5,014	4,194	19.6
Total gathered volumes	8,296	6,766	22.6
Capital expenditures ^(c)	\$ 111,454	\$ 158,000	(29.5)

(a) For the three months ended March 31, 2020, firm reservation fee revenues included approximately \$6.3 million of MVC unbilled revenue.

(b) Includes volumes under agreements structured with MVCs.

(c) Includes approximately \$12.5 million of capital expenditures related to the noncontrolling interest in Eureka Midstream for the three months ended March 31, 2020.

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Gathering revenues increased by \$48.2 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. Firm reservation fee revenues increased by \$23.1 million primarily as a result of increased revenues generated by the operating entities acquired in the Bolt-on Acquisition, increased unbilled revenue associated with MVC's and increased revenues associated with higher rates on various wellhead expansion projects. Volumetric-based fee revenues increased by \$25.0 million due to higher gathering volumes associated with the operating entities acquired in the Bolt-on Acquisition and increased usage fees.

Operating expenses increased by \$75.0 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 primarily as a result of a \$55.6 million impairment charge in 2020, of which \$37.9 million was associated with an impairment to certain gathering assets and \$17.7 million was related to an impairment of intangible assets (as each is discussed in Note 4 to the consolidated financial statements), an approximate \$12.3 million increase in depreciation expense as

a result of additional assets placed in-service, as well as depreciation on assets acquired in the Bolt-on Acquisition, a \$4.2 million increase in amortization of intangible assets as a result of intangible assets acquired in the Bolt-on Acquisition and a \$3.6 million increase in operating and maintenance expense primarily associated with the operations of assets acquired in the Bolt-on Acquisition. In addition, for the three months ended March 31, 2020, EQM recognized an increase in separation and other transaction costs of \$0.6 million primarily associated with the EQM Merger and related transactions. The increase in operating expense was partly offset by a \$1.3 million decrease in selling, general and administrative expense associated with lower personnel costs, facility and shared assets fees.

See also “Outlook” and Note 6 to the consolidated financial statements for a discussion of the EQT Global GGA and the transactions related thereto, including the potential cash fee relief to EQT in connection with the MVP in-service date. The Company expects that the revenues resulting from the MVCs under the EQT Global GGA will increase the proportion of the Company's total operating revenues that are firm reservation fee revenues in future periods.

TRANSMISSION RESULTS OF OPERATIONS

	Three Months Ended March 31,		
	2020	2019	% Change
(Thousands, except per day amounts)			
FINANCIAL DATA			
Firm reservation fee revenues	\$ 99,597	\$ 99,224	0.4
Volumetric-based fee revenues	7,018	10,635	(34.0)
Total operating revenues	106,615	109,859	(3.0)
Operating expenses:			
Operating and maintenance	9,441	4,084	131.2
Selling, general and administrative	5,182	8,492	(39.0)
Depreciation	13,558	12,533	8.2
Total operating expenses	28,181	25,109	12.2
Operating income	\$ 78,434	\$ 84,750	(7.5)
Equity income	\$ 54,072	\$ 31,063	74.1
OPERATIONAL DATA			
Transmission pipeline throughput (BBtu per day)			
Firm capacity reservation	3,000	2,959	1.4
Volumetric-based services	15	105	(85.7)
Total transmission pipeline throughput	3,015	3,064	(1.6)
Average contracted firm transmission reservation commitments (BBtu per day)	4,453	4,442	0.2
Capital expenditures ^(a)	\$ 10,798	\$ 18,762	(42.4)

(a) Transmission capital expenditures do not include capital contributions made to the MVP Joint Venture for the MVP and MVP Southgate projects of approximately \$45.2 million and \$144.8 million for the three months ended March 31, 2020 and 2019, respectively.

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Transmission and storage revenues decreased by \$3.2 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. Firm reservation fee revenues were essentially flat and volumetric-based fee revenues decreased due to lower interruptible usage and storage volumes.

Operating expenses increased by \$3.1 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 primarily as a result of increased operating and maintenance expense and increased depreciation expense as a result of additional assets placed in-service, partly offset by lower selling, general and administrative expense resulting from lower personnel costs, facility and shared assets fees.

The increase in equity income of \$23.0 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 was related to the increase in the MVP Joint Venture's AFUDC on the MVP.

WATER RESULTS OF OPERATIONS

	Three Months Ended March 31,		
	2020	2019	% Change
(Thousands)			
FINANCIAL DATA			
Firm reservation fee revenues ^(a)	\$ 12,776	\$ 2,884	343.0
Volumetric-based fee revenues	23,675	15,158	56.2
Total operating revenues	36,451	18,042	102.0
Operating expenses:			
Operating and maintenance	10,103	8,546	18.2
Selling, general and administrative	1,480	1,894	(21.9)
Depreciation	7,116	6,416	10.9
Total operating expenses	18,699	16,856	10.9
Operating income	\$ 17,752	\$ 1,186	1,396.8
OPERATIONAL DATA			
Water services volumes (MMgal)			
Firm capacity reservation ^(b)	210	90	133.3
Volumetric-based services	383	280	36.8
Total water volumes	593	370	60.3
Capital expenditures	\$ 3,476	\$ 9,175	(62.1)

(a) For the three months ended March 31, 2020, firm reservation fee revenues included approximately \$5.0 million of MVC unbilled revenues.

(b) Includes volumes under agreements structured with MVCs.

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Water operating revenues increased by \$18.4 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. Firm reservation fee revenues increased by \$9.9 million primarily as a result of increased revenues generated under agreements with MVCs including increased unbilled revenue associated with MVC's. Volumetric based fee revenues increased \$8.5 million primarily due to a 37% increase in fresh water distribution volumes associated with increased customer activity and increased realized rates on a per gallon basis. A majority of the fresh water delivery fees EQM charges per gallon of water are tiered and thus are lower on a per gallon basis once certain volumetric thresholds are met.

Water operating expenses increased by \$1.8 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 primarily as a result of higher operating and maintenance expense associated with the timing of costs related to activities on drilling pads and increased depreciation expense as a result of additional assets placed in-service.

EQM's water services are directly associated with the timing of producers' well completion activities and fresh and produced water needs (which are partially driven by horizontal lateral lengths and the number of completion stages per well), which will vary from quarter to quarter. Therefore, the Water operating results for the three months ended March 31, 2020 are not necessarily indicative of the results for the year ending December 31, 2020.

OTHER INCOME STATEMENT ITEMS

Other Income

Other income increased \$2.3 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 primarily associated with a \$4.2 million gain on derivative instruments partially offset by a \$2.1 million decrease in AFUDC - equity.

Loss on Early Extinguishment of Debt

The Company incurred a loss on the early extinguishment of debt of \$24.9 million during the three months ended March 31, 2020 related to the write off unamortized discounts and financing costs on the ETRN Term Loan Credit Agreement and the Equitrans Midstream Credit Facility. See Note 9 to the consolidated financial statements.

Net Interest Expense

Net interest expense increased by \$5.8 million for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 primarily due to higher interest expense of \$7.9 million on the EQM and ETRN Term Loans, higher interest expense of \$2.0 million on EQM revolving credit facility borrowings associated with increased outstanding debt and the issuance of letters of credit with respect to the MVP and MVP Southgate projects, partly offset by increased capitalized interest and AFUDC - debt of \$4.3 million.

See also Note 9 to the consolidated financial statements for a discussion of the EQM Credit Facility Amendment and the Term Loan Amendment. EQM expects higher net interest expense for the remainder of 2020 from borrowings under the Amended EQM Credit Facility and the Amended 2019 EQM Term Loan Agreement due to an increase in the Applicable Rate (as defined in the Amended EQM Credit Facility and the Amended 2019 EQM Term Loan Agreement) and recent downgrades of EQM's credit ratings.

Income Taxes

See Note 12 to the consolidated financial statements for an explanation of the decrease in income taxes for the three months ended March 31, 2020 compared to the three months ended March 31, 2019.

The Company files a consolidated income tax return for federal income taxes and uses the asset and liability method to account for income taxes. EQM is, and for the period prior to the EQGP Buyout, EQGP was, a limited partnership for U.S. federal and state income tax purposes. Eureka Midstream is a limited liability company for such purposes. EQM, EQGP, and Eureka Midstream are not subject to U.S. federal or state income taxes.

All of EQM's and Eureka Midstream's income is, and for the period prior to the closing of the EQGP Buyout, all of EQGP's income was, included in the Company's pre-tax income; however, the Company does not record income tax expense on the portions of its income attributable to the noncontrolling limited partners of EQM, the noncontrolling member of Eureka Midstream and, for the period prior to the closing of the EQGP Buyout, the noncontrolling limited partners of EQGP. This reduces the Company's effective tax rate in periods when the Company has consolidated pre-tax income.

Net Income Attributable to Noncontrolling Interests

For the three months ended March 31, 2020, the Company's noncontrolling interests were composed of the third-party ownership interests in EQM (including the Series A Preferred Units) and Eureka Midstream. For the three months ended March 31, 2019, the Company's noncontrolling interests were composed of the third-party ownership interests in EQM and, for the period from January 1, 2019 and through the closing of the EQGP Buyout on January 10, 2019, the third-party ownership interests in EQGP.

The noncontrolling interests described above resulted in net income allocations to noncontrolling interests in the statements of consolidated comprehensive income. Net income attributable to noncontrolling interests fluctuates based on the amount of net income earned by the entities with noncontrolling interests, the amount of net income allocated to EQM's IDRs prior to the closing of the EQM IDR Transaction, the amount of net income allocated to the Class B units subsequent to the closing of the EQM IDR Transaction, and any changes in the noncontrolling ownership percentages during the applicable periods.

Net income attributable to noncontrolling interests decreased for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 as a result of the increase in the Company's ownership of EQM as a result of the EQM IDR Transaction partially offset by the net income attributable to the Series A Preferred Units and the third-party ownership interest in Eureka Midstream in the first quarter of 2020.

See "Investing Activities" and "Capital Requirements" under "Capital Resources and Liquidity" for discussion of capital expenditures.

Outlook

The Company's assets overlay core acreage in the Appalachian Basin. The location of the Company's assets allows it to access major demand markets in the U.S. The Company is one of the largest natural gas gatherers in the U.S., and its largest customer, EQT, is the largest natural gas producer in the U.S. based on produced volumes as of March 31, 2020. The Company maintains a stable cash flow profile, with approximately 58% of its revenue for the three months ended March 31, 2020 generated by firm reservation fees, including revenues from MVCs. Further, the percentage of the Company's revenues that are generated by firm reservation fees and MVCs is expected to increase in future years as a result of the EQT Global GGA, which includes an MVC effective on February 26, 2020 of 3.0 Bcf per day that gradually steps up to 4.0 Bcf per day for several years following the in-service date of the MVP project.

The Company's principal strategy is to achieve the scale and scope of a top-tier midstream company by leveraging its existing assets, executing on its growth projects and, where appropriate, seeking and executing on strategically-aligned acquisition and joint venture opportunities and other strategic transactions, while strengthening its balance sheet through (i) highly predictable cash flows backed by firm reservation fees, (ii) actions to delever its balance sheet, (iii) disciplined capital spending, (iv) operating cost control and (v) an appropriate dividend policy. As part of its approach to organic growth, the Company is focused on building and completing its key transmission and gathering growth projects outlined below, many of which are supported by contracts with firm capacity commitments. Additionally, the Company is targeting growth from volumetric gathering and transmission services opportunities and from its water services business. The Company believes that this approach will enable the Company to achieve its strategic goals.

The Company expects that the following expansion projects will be the primary organic growth drivers:

- *Mountain Valley Pipeline.* The MVP Joint Venture is a joint venture among EQM and affiliates of each of NextEra Energy, Inc., Con Edison, AltaGas Ltd. and RGC Resources, Inc. that is constructing the MVP. As of March 31, 2020, EQM owned a 45.7% interest in the MVP project and will operate the MVP. The MVP is an estimated 300 mile, 42-inch diameter natural gas interstate pipeline with a targeted capacity of 2.0 Bcf per day that will span from EQM's existing transmission and storage system in Wetzel County, West Virginia to Pittsylvania County, Virginia, providing access to the growing Southeast demand markets. During the three months ended March 31, 2020, EQM made capital contributions of approximately \$45 million to the MVP Joint Venture for the MVP project. For the remainder of 2020, EQM expects to make capital contributions of approximately \$550 million to \$600 million to the MVP Joint Venture for purposes of the MVP. The MVP Joint Venture has secured a total of 2.0 Bcf per day of firm capacity commitments at 20-year terms and additional shippers have expressed interest in the MVP project. The MVP Joint Venture is evaluating an expansion opportunity that could add approximately 0.5 Bcf per day of capacity through the installation of incremental compression and is also evaluating other future pipeline extension projects.

In October 2017, the FERC issued the Certificate of Public Convenience and Necessity for the MVP. In the first quarter of 2018, the MVP Joint Venture received limited notice to proceed with certain construction activities from the FERC and commenced construction. As discussed under "***The regulatory approval process for the construction of new midstream assets is challenging, and recent decisions by regulatory and judicial authorities in pending proceedings could impact EQM's or the MVP Joint Venture's ability to obtain all approvals and authorizations necessary to complete certain projects on the projected time frame or at all or EQM's ability to achieve the expected investment returns on the projects.***" included in "Item 1A. Risk Factors – Risks Related to EQM's Business," in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, there are pending legal and regulatory challenges to or otherwise affecting certain aspects of the MVP project that must be resolved before the MVP project can be completed. The MVP Joint Venture is working to resolve these challenges. The MVP Joint Venture has a narrow path to achieve the Company's targeted late 2020 full in-service date at an overall project cost of approximately \$5.4 billion (excluding AFUDC). Completion of the project in accordance with these targets will require, among other things, a favorable decision by the United States Supreme Court in the *Cowpasture River Preservation Association* case, timely issuance by the U.S. Fish and Wildlife Service of a new biological opinion and incidental take statement for the MVP project (and resolution of related litigation), receipt of authorizations from the Bureau of Land Management and U.S. Forest Service and the lifting of the stop work order issued by the FERC, and remediation of the *Northern Plains Resource Council* case relating to the Nationwide Permit 12 and timely approval of the MVP Joint Venture's pending Nationwide Permit 12 permits or utilization of alternative permitting authority and/or construction methods to cross streams and wetlands in a manner not requiring a Nationwide Permit 12. See the discussion of the litigation and regulatory-related delays affecting the completion of the MVP set forth in Part II, "Item 1. Legal Proceedings". Based on the MVP Joint Venture's current budget for the project, EQM is expected to fund approximately \$2.7 billion (inclusive of additional contributions required due to the Con Edison cap described

below) of the overall project cost, including approximately \$105 million to \$120 million in excess of EQM's ownership interest.

On November 4, 2019, Con Edison exercised an option to cap its investment in the MVP project at approximately \$530 million (excluding AFUDC). EQM and NextEra Energy, Inc. are obligated to, and RGC Resources, Inc., another member of the MVP Joint Venture owning an interest in the MVP project, has opted to, fund the shortfall in Con Edison's capital contributions on a pro rata basis. As a result, based on the MVP Joint Venture's current budget for the project, EQM expects to fund an additional approximately \$86 million (excluding AFUDC) in capital contributions to the MVP Joint Venture. Any funding by EQM and other members will correspondingly increase their respective interests in the MVP project and decrease Con Edison's interest in the MVP project. As a result, EQM's equity ownership in the MVP project will progressively increase from 45.7% to approximately 47.0%.

In light of litigation and regulatory proceedings affecting or which have affected the construction of the MVP, the Company expects that the MVP Joint Venture will declare by May 31, 2020 events of force majeure under the precedent agreements (MVP Precedent Agreements) entered into with shippers (MVP Shippers) that have subscribed for capacity on the MVP. The Company expects that the MVP Joint Venture will take such action as an administrative matter in order to extend in accordance with the terms of the MVP Precedent Agreements various milestone dates in the agreements during the pendency of the force majeure events, including service commencement dates. Such action does not adversely affect the targeted in-service date for the project.

- *Wellhead Gathering Expansion and Hammerhead Projects.* During the three months ended March 31, 2020, EQM invested approximately \$104 million in gathering expansion projects. For the remainder of 2020, EQM expects to invest approximately \$300 million in gathering expansion projects (inclusive of expected capital expenditures related to the noncontrolling interest in Eureka Midstream). The expansion projects include infrastructure expansion of core development areas in the Marcellus and Utica Shales in southwestern Pennsylvania, eastern Ohio and northern West Virginia for EQT, Range Resources Corporation (Range Resources) and other producers, including the Hammerhead project. The Hammerhead project is a 1.6 Bcf per day gathering header pipeline that is primarily designed to connect natural gas produced in Pennsylvania and West Virginia to the MVP, is supported by a 20-year term, 1.2 Bcf per day, firm capacity commitment from EQT and is expected to cost approximately \$555 million, of which approximately \$490 million had been spent through March 31, 2020. For the remainder of 2020, EQM expects to invest approximately \$30 million in the Hammerhead project. The Hammerhead project is expected to become operational in the second quarter of 2020 and will provide interruptible service until the MVP is placed in-service, at which time the firm capacity commitment will begin.
- *MVP Southgate Project.* In April 2018, the MVP Joint Venture announced the MVP Southgate project, a proposed 75-mile interstate pipeline that will extend from the MVP at Pittsylvania County, Virginia to new delivery points in Rockingham and Alamance Counties, North Carolina. The MVP Southgate project is backed by a 300 MMcf per day firm capacity commitment from Dominion Energy North Carolina. As designed, the MVP Southgate project has expansion capabilities that could provide up to 900 MMcf per day of total capacity. The MVP Southgate project is estimated to cost a total of approximately \$450 million to \$500 million, which is expected to be spent primarily in 2021. EQM is expected to fund approximately \$225 million of the overall project cost. During the three months ended March 31, 2020, no capital contributions were made by EQM to the MVP Joint Venture for the MVP Southgate project. For 2020, EQM expects to make capital contributions of approximately \$15 million to the MVP Joint Venture for the MVP Southgate project. EQM will operate the MVP Southgate pipeline and, as of March 31, 2020, owned a 47.2% interest in the MVP Southgate project. The MVP Joint Venture submitted the MVP Southgate certificate application to the FERC in November 2018. The Final Environmental Impact Statement for the MVP Southgate project was issued on February 14, 2020. The schedule also identifies May 14, 2020 as the deadline for other agencies to act on other federal authorizations required for the project (the FERC, however, is not subject to this deadline). Subject to approval by the FERC and other regulatory agencies, the MVP Southgate project is expected to be placed in-service in 2021.
- *Transmission Expansion.* During the three months ended March 31, 2020, EQM invested approximately \$9 million in transmission expansion projects. For the remainder of 2020, EQM expects to invest approximately \$40 million to \$50 million in transmission expansion projects, primarily attributable to the Allegheny Valley Connector (AVC), the Equitrans, L.P. Expansion project (EEP), which is designed to provide north-to-south capacity on the mainline Equitrans, L.P. system, including for deliveries to the MVP, and power plant projects. A portion of EEP commenced operations with interruptible service in the third quarter of 2019. EEP provides capacity of approximately 600 MMcf per day and offers access to several markets through interconnects with Texas Eastern Transmission, Dominion Transmission and Columbia Gas Transmission. EEP will also provide

delivery into the MVP, and once the MVP is placed in service, firm transportation agreements for 550 MMcf per day of capacity will commence under 20-year terms.

- *Water Expansion.* During the three months ended March 31, 2020, EQM invested approximately \$3 million in the expansion of its fresh water delivery infrastructure. For the remainder of 2020 EQM expects to invest approximately \$10 million to \$15 million in the expansion of its fresh water delivery infrastructure in Pennsylvania and Ohio.

See further discussion of capital expenditures in the "Capital Requirements" section below.

On February 27, 2020, the Company and EQM announced the EQT Global GGA with EQT, which is a 15-year contract that includes, among other things, a 3.0 Bcf per day MVC (which gradually steps up to 4.0 Bcf per day for several years following the in-service date of the MVP project) and the dedication of a substantial majority of EQT's core acreage in Pennsylvania and West Virginia to the Company. Under the EQT Global GGA, EQT received certain gathering fee relief over a period of three years following the in-service date of the MVP (as further described in Note 6 to the consolidated financial statements). The EQT Global GGA replaced 14 previous gathering agreements between affiliates of each of EQT and the Company. In addition, on February 27, 2020, the Company and EQM announced a definitive merger agreement between the Company, EQM and certain of their affiliates related to the EQM Merger, pursuant to which, among other things, the Company will acquire all of the issued and outstanding EQM common units (other than EQM common units held by the Company and its subsidiaries). Following the EQM Merger, which is subject to customary closing conditions, including approvals of EQM's limited partners and the Company's shareholders, EQM will be an indirect wholly owned subsidiary of the Company and will no longer be a publicly traded entity. The Equitrans Midstream Special Meeting and the EQM Special Meeting are both scheduled to be held on June 15, 2020, and the Company expects the EQM Merger to close in June 2020. See Notes 1, 2, 3, and 6 for additional information regarding the EQM Merger and the EQT Global GGA, and the transactions related thereto.

Under the EQT Global GGA, the performance obligation is to provide daily MVC capacity and as such the total consideration is allocated proportionally to the daily MVC over the life of the contract. In periods that the gathering MVC revenue billed will exceed the allocated consideration, the excess will be deferred to the contract liability and recognized in revenue when the performance obligation has been satisfied. Assuming an in-service date of year-end 2020 for the MVP, the deferral to the contract liability is expected to increase by approximately \$227 million for the remainder of 2020 and by approximately \$14 million and \$43 million, respectively, during 2021 and 2022. The daily MVC capacity and the gathering MVC fees payable by EQT (or its affiliates) to EQM as set forth in the EQT Global GGA are conditioned upon the in-service date of the MVP. There are ongoing legal and regulatory matters that must be resolved favorably before the MVP project can be completed which could have a material effect on the performance obligation and the allocation of the total consideration over the life of the contract and the gathering MVC fees payable by EQT under the contract.

For a discussion of Equitrans Midstream's commercial relationship with EQT and related considerations, including risk factors, see Equitrans Midstream's Annual Report on Form 10-K for the year ended December 31, 2019, as updated by this and any subsequent Quarterly Report on Form 10-Q.

Commodity Prices. The Company's business is dependent on continued natural gas production and the availability and development of reserves in its areas of operation. Low prices for natural gas and natural gas liquids have adversely affected development of additional reserves and production that is accessible by EQM's pipeline and storage assets, which also negatively affects EQM's water services business. The Henry Hub natural gas price ranged from \$1.68 per MMBtu to \$2.17 per MMBtu between January 1, 2020 and March 31, 2020. While the natural gas forward strip price has increased since March 31, 2020 primarily as a result of expected declines of production of associated gas (partially due to measures implemented by federal, state and local governments to control the spread of COVID-19 and resulting declines in demand for oil and to a lesser extent natural gas and continued economic uncertainty, as well as the failure, in March 2020, of Saudi Arabia and Russia to agree to cut oil production, which contributed to a sharp drop in the price of oil and an imbalance between the supply of demand for oil) and only a modest negative impact on demand for natural gas resulting from the COVID-19 pandemic, the natural gas forward strip price continued to trend downward during the first three months of 2020. Further, market prices for natural gas in the Appalachian Basin continue to be lower than Henry Hub natural gas prices. Lower natural gas prices have caused producers to determine to reduce their rig count, shut in a portion of their wells or otherwise take actions to slow production growth and/or reduce production, which when effected by EQM's producer customers reduces the demand for, and usage of, EQM's services. While the near-term outlook for natural gas prices has improved significantly since March 31, 2020, a sustained period of depressed natural gas production and prices could cause producers in EQM's areas of operation to take further actions to reduce natural gas production and supply in the future and may adversely affect such producer customers' respective business, financial condition, results of operation, access to capital and/or liquidity.

EQM's customers, including EQT, Range Resources and Gulfport Energy Corporation (Gulfport), have announced reductions

in their capital spending forecasts for 2020 and may continue to lower capital spending in the future based on commodity prices, access to capital, investor expectations for positive free cash flow, or a desire to reduce or refinance leverage (including the perceived ability to do so), or other factors. On January 13, 2020, EQT publicly announced a 2020 capital expenditure forecast of \$1.25 billion to \$1.35 billion, compared to 2019 capital expenditures of \$1.85 billion to \$1.95 billion, which represented an approximate 30% decrease in capital expenditures compared to EQT's projected 2019 capital expenditures. On March 16, 2020, EQT announced a further reduction in its 2020 capital expenditure forecast to \$1.075 billion to \$1.175 billion, or an approximate 13% reduction from EQT's initial 2020 capital expenditure forecast. Longer-term price declines and sustained periods of low natural gas and natural gas liquids prices could continue to have an adverse effect on creditworthiness of EQM's customers and related ability to pay firm reservation fees under long-term contracts and/or affect activity levels and, accordingly, volumetric-based fees, which could affect the Company's results of operations, liquidity or financial position. Each of S&P, Moody's and Fitch has taken negative ratings actions on a number of Appalachian exploration and production companies, including EQT, Range Resources and Gulfport, citing, among other things, lower natural gas price assumptions and current and future financing needs. Many of EQM's customers, including EQT, have entered into long-term firm reservation transmission and gathering contracts or contracts with MVCs on EQM's systems. However, approximately 42% of EQM's operating revenues for the first quarter of 2020 were volumetric-based fee revenues. For more information, see "**Decreases in production of natural gas in EQM's areas of operation have adversely affected, and future decreases could further adversely affect, its business and operating results and reduce its cash available to make distributions to its unitholders, including us.**" included in Item "1A. Risk Factors - Risks Related to EQM's Business" of the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Potential Future Impairments. During the first quarter of 2020, the Company recognized an impairment of long-lived assets of approximately \$55.6 million, including \$37.9 million related to certain Hornet-related gathering assets and \$17.7 million related to certain Hornet-related intangible assets associated with the Eureka/Hornet reporting unit. See Note 4 to the consolidated financial statements for additional information. As of the filing of this Quarterly Report on Form 10-Q, the Company cannot predict the likelihood or magnitude of any future impairment.

The accounting estimates related to impairments are susceptible to change, including estimating fair value which requires considerable judgment. For goodwill, management's estimate of a reporting unit's future financial results is sensitive to changes in assumptions, such as changes in stock prices, weighted-average cost of capital, terminal growth rates and industry multiples. For the Company's equity investments in the MVP Joint Venture, management must evaluate the Company's investments for other-than-temporary-declines in fair value under ASC 323. The Company believes the estimates and assumptions used in estimating its reporting units' and its equity investments' fair values are reasonable and appropriate; however, assumptions and estimates are inherently subject to significant business, economic, competitive, regulatory and other risks, that could materially affect the calculated fair values and the resulting conclusions regarding impairments of goodwill and equity investments, which could materially affect the Company's results of operations and financial position. Additionally, actual results could differ from these estimates. For the period ended March 31, 2020, the Company performed a sensitivity analysis for the RMP PA Gas Gathering reporting unit and the merged EQM Opco reporting unit to quantify the effect of certain changes to assumptions used in the interim goodwill assessment. It was determined that a 1% increase to the weighted average cost of capital and a corresponding 1% decrease to the terminal cash flow growth rate would not have resulted in an impairment of goodwill as of March 31, 2020. The Company also continues to evaluate the ongoing legal and regulatory matters related to the MVP project that must be resolved favorably (and timely) before the project can be completed, as further described in Part II, "Item 1. Legal Proceedings" of this Quarterly Report on Form 10-Q. See also Note 4 to the consolidated financial statements and "**Reviews of our goodwill and intangible and other long-lived assets have resulted in significant impairment charges and reviews of goodwill, intangible and other long-lived assets (including equity method investments) could result in future significant impairment charges.**" included in Part II, "Item 1A. Risk Factors," in this Quarterly Report on Form 10-Q.

Capital Resources and Liquidity

The Company's liquidity requirements are to finance EQM's operations, EQM's capital expenditures, potential acquisitions and other strategic transactions and capital contributions to joint ventures, including the MVP Joint Venture, to pay cash dividends and distributions and to satisfy any indebtedness obligations. The Company's ability to meet these liquidity requirements depends on the cash flow from operations (through EQM operations) and the Company's and EQM's ability to raise capital in banking, capital and other markets, which may be affected by prevailing economic conditions in the natural gas industry and other financial and business factors, including the current COVID-19 pandemic, some of which are beyond the Company's control. The Company's available sources of liquidity include cash from operations, cash on hand and issuances of additional debt or equity securities by the Company or EQM. Pursuant to the Tax Matters Agreement (defined in Note 7 to the consolidated financial statements), the Company is subject to certain restrictions related to certain corporate actions, including restrictions related to the issuance of Company and EQM securities beyond certain thresholds as set forth in the Tax Matters Agreement for a two-year period following the Separation and Distribution. See **"We may determine to forgo or be required to forgo certain transactions in order to avoid the risk of incurring material tax-related liabilities or indemnification obligations under the tax matters agreement."** included in "Item 1A. Risk Factors – Risks Related to the Separation," in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The Company is not forecasting any public equity issuance for currently anticipated organic growth projects.

In February 2020, S&P and Fitch downgraded EQM's credit ratings from investment grade to non-investment grade. In addition, in April 2020, Moody's further downgraded EQM's credit rating from Ba2 (with a negative outlook) to Ba3 (with a negative outlook), and S&P further downgraded EQM's credit rating from BB (with a stable outlook) to BB- (with a negative outlook). The non-investment grade ratings from Moody's, S&P and Fitch have caused EQM to incur higher borrowing costs under the Amended EQM Credit Facility and the Amended 2019 EQM Term Loan Agreement and may make it more difficult to raise capital in banking, capital or other markets. As a result of the February 2020 downgrades, EQM was also obligated to deliver additional credit support to the MVP Joint Venture, which included letters of credit in the amounts of approximately \$220.2 million and \$14.2 million with respect to the MVP and the MVP Southgate projects, respectively. Additionally, pursuant to the EQT Global GGA, if EQM does not maintain minimum credit ratings of at least Ba3 with respect to Moody's and BB- with respect to S&P and Fitch from two of the three credit rating agencies, EQM will be obligated to provide additional credit support in an amount equal to approximately \$196 million to EQT in support of the potential payment obligation related to the EQT Cash Option (the Cash Option Letter of Credit). See **"A further downgrade of EQM's credit ratings, including in connection with the MVP project or changes in the credit ratings of EQT, which are determined by independent third parties, could impact EQM's liquidity, access to capital, and costs of doing business."** included in "Item 1A. Risk Factors – Risks Related to EQM's Business," in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Operating Activities

Net cash flows provided by operating activities were \$249.3 million for the three months ended March 31, 2020 compared to \$122.2 million for the three months ended March 31, 2019. The increase was primarily driven by an increase in Gathering revenues primarily associated with the entities acquired in the Bolt-on Acquisition, an increase in Water revenues and the timing of working capital payments.

Investing Activities

Net cash flows used in investing activities were \$196.3 million for the three months ended March 31, 2020 compared to \$352.6 million for the three months ended March 31, 2019. The decrease in cash used was primarily attributable to decreased capital contributions to the MVP Joint Venture consistent with a lower level of construction activities for the MVP project and decreased capital expenditures during 2020 as further described in "Capital Requirements".

Financing Activities

Net cash flows used in financing activities were \$65.3 million for the three months ended March 31, 2020 compared to net cash flows provided by financing activities of \$15.3 million for the three months ended March 31, 2019. For the three months ended March 31, 2020, the primary use of financing cash flows was the payment for retirement of the ETRN Term Loans and termination of the ETRN Term Loan Credit Agreement, payments on borrowings under the Amended EQM Credit Facility, the payments of dividends and distributions to shareholders and unitholders (including distributions paid to Series A Preferred unitholders) and the payment for the Share Purchase Agreements. The source of financing cash flows for three months ended March 31, 2020 was borrowings on the Amended EQM Credit Facility. For the three months ended March 31, 2019, the source of financing cash flows was borrowings on the Company's and EQM's credit facilities partially offset by the purchase of the EQGP common units, payments on the Company's and EQM's credit facility borrowings, payment of dividends to Company shareholders and distributions to noncontrolling interest unitholders.

Capital Requirements

The gathering, transmission and storage and water services businesses are capital intensive, requiring significant investment to develop new facilities and to maintain and upgrade existing operations.

	Three Months Ended March 31,	
	2020	2019
	(Thousands)	
Expansion capital expenditures ^{(a)(b)}	\$ 115,551	\$ 176,509
Maintenance capital expenditures ^(b)	10,177	9,428
Headquarters capital expenditures	1,876	3,396
Total capital expenditures ^(c)	\$ 127,604	\$ 189,333

- (a) Expansion capital expenditures do not include capital contributions made to the MVP Joint Venture for the MVP and MVP Southgate projects of approximately \$45.2 million and \$144.8 million for the three months ended March 31, 2020 and 2019, respectively.
- (b) Includes approximately \$11.3 million of expansion capital expenditures and \$1.2 million of maintenance capital expenditures related to the noncontrolling interest in Eureka Midstream for the three months ended March 31, 2020.
- (c) The Company accrues capital expenditures when the capital work has been completed but the associated bills have not been paid. Accrued capital expenditures are excluded from the statements of consolidated cash flows until they are paid. See Note 5 to the consolidated financial statements.

Expansion capital expenditures decreased by approximately \$61.0 million for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to decreased spending on the Hammerhead project and various wellhead gathering expansion projects, partly offset by spending on the Eureka Midstream gathering system in the first quarter of 2020 following the Bolt-on Acquisition.

Maintenance capital expenditures increased by approximately \$0.7 million for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019, primarily as a result of additional assets in service, including the assets acquired in the Bolt-on Acquisition.

For the remainder of 2020, capital contributions to the MVP Joint Venture are expected to be approximately \$565 million to \$615 million (including approximately \$15 million related to the MVP Southgate project), and expansion capital expenditures are expected to be \$350 million to \$365 million (including approximately \$30 million attributable to the noncontrolling interest in Eureka Midstream), net of expected reimbursements. The Company's future capital investments may vary significantly from period to period based on the available investment opportunities and the timing of the construction of the MVP, MVP Southgate and other projects. Maintenance capital expenditures are also expected to vary quarter to quarter. The Company expects to fund future capital expenditures primarily through cash on hand, cash generated from operations, borrowings under its subsidiaries' credit facilities and additional debt transactions. The Company is not forecasting any public equity issuance for currently anticipated organic growth projects.

Credit Facility Borrowings

See Note 9 to the consolidated financial statements for discussion of the Amended EQM Credit Facility, the Amended 2019 EQM Term Loan Agreement and the Eureka Credit Facility.

Security Ratings

The table below sets forth the credit ratings for debt instruments of EQM at March 31, 2020.

Rating Service	EQM Senior Notes	
	Rating	Outlook
Moody's	Ba2	Negative
S&P	BB	Stable
Fitch	BB	Negative

On February 4, 2020, S&P downgraded EQM's credit to a BB+ rating, with a negative outlook, from a BBB- rating following S&P's downgrade of EQT. On February 27, 2020, S&P further downgraded EQM's credit to a BB rating, with a stable outlook. On February 18, 2020, Fitch downgraded EQM to a BB rating, with a negative outlook, from a BBB- rating, citing a downgrade of EQT's credit rating from BBB- to BB, with a negative outlook, on February 14, 2020, as well as uncertainty around the MVP project, as the principal reasons for the ratings action. On February 27, 2020, Moody's downgraded EQM's credit from Ba1, with a negative outlook, to Ba2, with a negative outlook, citing EQT's weakening credit profile, risks to completion of MVP and the increase to EQM's financial leverage resulting from actions in connection with the EQM Merger and the Share Purchases. On April 2, 2020, Moody's further downgraded EQM's credit rating from Ba2, with a negative outlook, to Ba3, with a negative outlook, following Moody's downgrade of EQT's credit rating. Finally, on April 7, 2020, S&P further downgraded EQM's credit rating from BB, with a stable outlook, to BB-, with a negative outlook, following S&P's further downgrade of EQT's credit rating. The ETRN Term Loans were paid off on March 3, 2020 with proceeds from the EQM Credit Facility and the ETRN Term Loan Credit Agreement was terminated; therefore, the Company no longer has any credit ratings assigned to its debt.

EQM's credit ratings are subject to further revision or withdrawal at any time by the assigning rating organization and each rating should be evaluated independently of any other rating. The Company 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 entirely by a credit rating agency if, in its judgment, circumstances so warrant, including in connection with the MVP project or the creditworthiness of EQM's customers, including EQT. As of April 2, 2020, EQT's public debt had credit ratings of BB- from S&P (with a negative outlook), Ba3 from Moody's (with a negative outlook) and BB from Fitch (with a negative outlook). As of December 31, 2019, EQT's credit ratings with each of S&P, Moody's and Fitch were considered investment grade. If any credit rating agency further downgrades EQM's ratings, the Company's access to the capital markets could become more challenging, borrowing costs will likely increase, EQM may be required to provide additional credit assurances, including the Cash Option Letter of Credit, and in support of commercial agreements such as joint venture agreements and, if applicable, construction contracts, and the potential pool of investors and funding sources may decrease. In order to be considered investment grade, a company must be rated Baa3 or higher by Moody's, BBB- or higher by S&P, or BBB- or higher by Fitch. Anything below these ratings, including all of EQM's credit ratings, are considered non-investment grade.

Commitments and Contingencies

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against the Company and its subsidiaries, including EQM. While the amounts claimed may be substantial, the Company and EQM are unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company and EQM accrue legal and other direct costs related to loss contingencies when incurred. Each of the Company and EQM, as applicable, establishes reserves whenever it believes it to be appropriate for pending matters. Furthermore, after consultation with counsel and considering available insurance, the Company believes that the ultimate outcome of any matter currently pending against it, EQM or any of their respective subsidiaries will not materially affect its business, financial condition, results of operations, liquidity or ability to pay dividends to its shareholders.

See "***The regulatory approval process for the construction of new midstream assets is challenging, and recent decisions by regulatory and judicial authorities in pending proceedings could impact EQM's or the MVP Joint Venture's ability to obtain all approvals and authorizations necessary to complete certain projects on the projected time frame or at all or EQM's ability to achieve the expected investment return on the projects.***" under "Item 1A. Risk Factors – Risks Related to EQM's Business" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and Part II, "Item 1. Legal Proceedings" for discussion of litigation and regulatory proceedings, including related to the MVP project.

See Note 14 to the annual consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 for further discussion of the Company's commitments and contingencies.

Dividend

On February 27, 2020, the Company announced its intention to reduce its quarterly dividend from \$0.45 per share to \$0.15 per share, a decrease of approximately 67% per share, in connection with the announcement of the EQM Merger, commencing with the first quarter 2020 dividend. On February 27, 2020, EQM also announced its intention to reduce its quarterly distribution from \$1.16 per unit to \$0.3875 per unit, a decrease of approximately 67% per unit, in connection with the announcement of the EQM Merger, commencing with the first quarter 2020 distribution. Following the announcement of the EQM Merger, the decreases in the Company's dividend and EQM's quarterly distribution reflect a financial and distribution policy that is designed to deliver highly predictable revenues and substantial cash flows after total capital expenditures, dividends and distributions.

On April 27, 2020, the Company's Board of Directors declared a cash dividend for the first quarter of 2020 of \$0.15 per share payable on May 21, 2020 to shareholders of record at the close of business on May 12, 2020.

See Note 2 to the consolidated financial statements for discussion of EQM distributions.

Critical Accounting Policies and Estimates

The Company's critical 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, 2019 as filed with the SEC on February 27, 2020. 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 consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for the period ended March 31, 2020. The application of the Company's critical accounting policies may require management to make judgments and estimates about the amounts reflected in the 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

Interest Rate Risk. Changes in interest rates affect the amount of interest the Company earns on cash, cash equivalents and short-term investments and the interest rates EQM and Eureka Midstream pay on borrowings under their respective revolving credit facilities and term loans, as applicable. The Amended 2019 EQM Term Loan Agreement, the Amended EQM Credit Facility and the Eureka Credit Facility provide for variable interest rates and thus expose the Company, through EQM and Eureka Midstream to fluctuations in market interest rates. In addition, EQM's interest rates under the Amended 2019 EQM Term Loan Agreement and the Amended EQM Credit Facility are impacted by changes in EQM's credit ratings (which may be caused by factors outside of EQM's control). Such changes in interest rates expose EQM and, as applicable, Eureka Midstream, to fluctuations in interest rates, which may impact the Company's results of operations and liquidity, including the amount of cash EQM has available to make quarterly cash distributions to its unitholders, including the Company. Changes in interest rates may affect the distribution rate payable on EQM's Series A Preferred Units after the twentieth distribution period (and may also affect the dividend payable on the Equitrans Midstream Preferred Shares upon issuance thereof), which could affect the amount of cash EQM has available to make quarterly cash distributions to its other unitholders, including the Company. Additionally, on March 30, 2020, EQM executed the EQM Credit Facility Amendment and Term Loan Amendment which increased the interest rates applicable to the borrowings under the Amended EQM Credit Facility and the Amended 2019 EQM Term Loan Agreement. EQM's senior notes are fixed rate and thus do not expose the Company to fluctuations in market interest rates. Changes in interest rates do affect the fair value of EQM's fixed rate debt. See Notes 9 and 10 to the consolidated financial statements for discussions of borrowings and fair value measurements, respectively. EQM and Eureka Midstream may from time to time hedge the interest on portions of borrowings under the revolving credit facilities and Amended 2019 EQM Term Loan Agreement, as applicable, in order to manage risks associated with floating interest rates.

Credit Risk. The Company is exposed to credit risk, which is the risk that it may incur a loss if a counterparty fails to perform under a contract. The Company actively manages its exposure to credit risk associated with customers through credit analysis, credit approval and monitoring procedures. For certain transactions, the Company requests letters of credit, cash collateral, prepayments or guarantees as forms of credit support. Equitrans, L.P.'s FERC tariffs require tariff customers that do not meet specified credit standards to provide three months of credit support; however, the Company is exposed to credit risk beyond this three-month period when its tariffs do not require its customers to provide additional credit support. For some of the Company's more recent long-term contracts associated with system expansions, it has entered into negotiated credit agreements that provide for other credit support if certain credit standards are not met. The Company has historically experienced only minimal credit losses in connection with its receivables.

The Company is exposed to the credit risk of its customers, including EQT, its largest customer. As of March 31, 2020, EQT had \$0.7 billion of letters of credit outstanding under its revolving credit facility (inclusive of an \$83.6 million letter of credit issued to the MVP Joint Venture). At March 31, 2020, EQT's public senior debt had non-investment grade credit ratings. See "Security Ratings" under Part I, "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" for further discussion of EQT's credit ratings.

In connection with the execution of the EQT Global GGA and the Credit Letter Agreement, EQM agreed to, amongst other things, relieve certain credit posting requirements for EQT, in an amount of up to approximately \$250 million under its commercial agreements with EQM, subject to EQT maintaining a minimum credit rating from two of three rating agencies of (i) Ba3 with Moody's, (ii) BB- with S&P and (iii) BB- with Fitch. In addition, EQT has guaranteed the payment obligations of certain of its subsidiaries, up to a maximum amount of \$115 million, \$131 million and \$30 million related to gathering, transmission and water services, respectively, across all applicable contracts, for the benefit of the subsidiaries of the Company providing such services. See Note 13 to the annual consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 for further discussion of the Company's exposure to credit risk.

Commodity Prices. The Company's business is dependent on continued natural gas production and the availability and development of reserves in its areas of operation. Low prices for natural gas and natural gas liquids, including those resulting from regional basis differentials, could adversely affect development of additional reserves and production that is accessible by the Company's pipeline and storage assets, or result in lower drilling activity, which would decrease demand for the Company's services. Lower regional natural gas prices could cause producers to determine in the future that drilling activities in areas outside of the Company's current areas of operation are strategically more attractive to them. The Company's customers, including EQT, Range Resources and Gulfport, have announced reductions in their capital spending and may announce lower capital spending in the future based on commodity prices, access to capital, investor expectations regarding positive free cash flow, a desire to reduce or refinance leverage (including the perceived ability to do so) or other factors. Unless the Company is successful in attracting and retaining new customers, the Company's ability to maintain or increase the capacity subscribed and volumes transported under service arrangements on its transmission and storage system, the volumes gathered on its gathering systems, or the volumes of water provided by its water services business will be dependent on receiving consistent or increasing commitments from its existing customers. While EQT has dedicated a substantial portion of its core acreage to the

Company and has entered into long-term firm gathering and transmission contracts and contracts with MVCs on certain of the Company's systems, EQT may determine in the future that drilling in the Company's areas of operations is not economical. Other than with respect to its MVCs under existing contracts, EQT is under no contractual obligation to continue to develop its acreage dedicated to the Company. See also Note 6 to the consolidated financial statements for a discussion of the EQT Global GGA and the Water Services Letter Agreement with EQT.

The Company's cash flow profile is underpinned by both firm reservation fee revenues and volumetric-based fees, with approximately 58% of its revenue for the three months ended March 31, 2020 generated by firm reservation fee revenues. Accordingly, the Company believes that the effect of short- and medium-term declines in volumes of gas gathered, transported or stored on its systems may be mitigated because firm reservation fee revenues are paid regardless of volumes supplied to the system by customers. See "***EQM's exposure to direct commodity price risk may increase in the future.***" under "Item 1A. Risk Factors - Risks Related to EQM's Business" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. Sustained periods of low commodity prices could have a further adverse effect on customer creditworthiness and related ability to pay firm reservation fees under long-term contracts and/or affect activity levels and accordingly volumetric-based fees, which could affect the Company's results of operations, liquidity or financial position. Significant declines in gas production in the Company's areas of operations would adversely affect the Company's growth potential.

The fair value of the Company's derivative instruments is largely determined by estimates of the NYMEX Henry Hub natural gas forward curve. A hypothetical 10% increase in NYMEX Henry Hub natural gas futures prices would increase the valuation of EQM's derivative instruments by \$10.2 million, while a hypothetical 10% decrease in NYMEX Henry Hub natural gas futures prices would decrease the valuation of the Company's derivative instruments by \$11.0 million. This fair value change assumes volatility based on prevailing market parameters at March 31, 2020. See Note 10 to the consolidated financial statements for a discussion of the Henry Hub cash bonus payment provision.

Other Market Risks. The Amended EQM Credit Facility is underwritten by a syndicate of 21 financial institutions, each of which is obligated to fund its pro rata portion of any borrowings by EQM. No one lender of the financial institutions in the syndicate holds more than 10% of the facility. EQM's large syndicate groups and relatively low percentage of participation by each lender is expected to limit EQM's exposure to disruption or consolidation in the banking industry.

The Eureka Credit Facility is underwritten by a syndicate of 14 financial institutions, each of which is obligated to fund its pro-rata portion of any borrowings by Eureka. Only one lender of the financial institutions in the syndicate holds more than 10% of the facility (approximately 13% held by ABN AMRO Capital USA LLC). Eureka's large syndicate group and relatively low percentage of participation by each lender is expected to limit Eureka's exposure to disruption or consolidation in the banking industry.

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 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. During the first quarter of 2020, the Company completed the implementation of the initial phase of an enterprise resource planning (ERP) system, and revised and updated the related controls. These changes did not materially affect the Company's internal control over financial reporting. As the Company implements the remaining functionality under this ERP system through the first six months of 2021, it will continue to assess the impact on its internal control over financial reporting.

There were no changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the first quarter of 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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 and its subsidiaries, including EQM. While the amounts claimed may be substantial, the Company and EQM are unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company and EQM accrue legal and other direct costs related to loss contingencies when incurred. Each of the Company and EQM, as applicable, establishes reserves whenever it believes it to be appropriate for pending matters. Furthermore, after consultation with counsel and considering available insurance, the Company believes that the ultimate outcome of any matter currently pending against it, EQM or any of their respective subsidiaries will not materially affect its business, financial condition, results of operations, liquidity or ability to pay dividends to its shareholders.

Environmental Proceedings

Pennsylvania DEP Consent Assessment of Civil Penalty, Fresh Water Withdraw System. During the third quarter of 2019, the Pennsylvania Department of Environmental Protection (PADEP) issued a draft Consent Assessment of Civil Penalty to EQM, citing a failure to report monthly and total withdraws from certain freshwater sources, failure to register a source, and failure to maintain a source/tap. EQM has implemented corrective actions including registration of all water sources and installation of equipment to prevent non-compliance events. EQM and the PADEP executed a consent order which included a civil penalty of \$180,000 on April 7, 2020.

Eureka System Environmental Remediation. On April 10, 2019, EQM acquired a 60% equity interest in Eureka Midstream. Eureka Midstream received one notice of violation (NOV) in April 2019 and two NOVs in June 2019 from the OEPA associated with legacy slips. The Company cannot predict with certainty whether any facts or circumstances will result in a state environmental agency issuing additional NOVs. If penalties are imposed, an individual penalty or the aggregate of these penalties could result in monetary sanctions in excess of \$100,000. However, the Company does not believe that the penalties, if imposed, will have a material impact on the financial condition, results of operations or liquidity of the Company or EQM.

Pennsylvania DEP Consent Assessment of Civil Penalty, NRI S001 Pipeline. On April 4, 2018, the PADEP issued a NOV to EQM, noting fifty-seven (57) violations that included seventeen (17) erosion and best management practices failures, nine (9) pollution discharges to streams and wetlands, and additional failures to temporarily stabilize rights of way. The PADEP conducted its follow-up inspection on April 14, 2018 and noted that all violations were resolved. On December 3, 2019, the PADEP issued a proposed consent order to settle all violations. EQM and the PADEP executed a consent order which included a civil penalty of \$250,000 in February 2020, and all amounts have been paid.

MVP Matters

The MVP Joint Venture is currently defending certain agency actions and judicial challenges to the MVP that must be resolved favorably before the project can be completed, including the following:

- *Sierra Club, et al. v. U.S. Army Corps of Engineers, et al., consolidated under Case No. 18-1173, Fourth Circuit Court of Appeals (Fourth Circuit).* In February 2018, the Sierra Club filed a lawsuit in the Fourth Circuit against the U.S. Army Corps of Engineers (the U.S. Army Corps). The lawsuit challenges the verification by the Huntington District of the U.S. Army Corps that Nationwide Permit 12, which generally authorizes discharges of dredge or fill material into waters of the United States and the construction of pipelines across such waters under Section 404 of the Clean Water Act, could be utilized in the Huntington District (which covers all but the northernmost area of West Virginia) for the MVP project. The crux of Sierra Club's position was that the MVP Joint Venture, pursuant to its FERC license, planned to use a certain methodology (dry open cut creek crossing methodology) to construct the pipeline across streams in West Virginia that would take considerably longer than the 72 hours allowed for such activities pursuant to the terms of West Virginia's Clean Water Act Section 401 certification for Nationwide Permit 12. A three-judge panel of the Fourth Circuit agreed with the Sierra Club and on October 2, 2018, issued a preliminary order stopping the construction in West Virginia of that portion of the pipeline that is subject to Nationwide Permit 12. Following the issuance of the court's preliminary order, the U.S. Army Corps' Pittsburgh District (which had also verified use of Nationwide Permit 12 by MVP in the northern corner of West Virginia) suspended its verification that allowed the MVP Joint Venture to use Nationwide Permit 12 for stream and wetlands crossings in northern West Virginia. On November 27, 2018, the Fourth Circuit panel issued its final decision vacating the Huntington District's verification of the use of Nationwide Permit 12 in West Virginia. West Virginia subsequently revised its Section 401 certification for Nationwide Permit 12; however, unless and until the U.S. Army Corps' Huntington and Pittsburgh Districts re-verify the MVP Joint Venture's use of Nationwide Permit 12, or the MVP Joint Venture secures an individual Section 404

permit with the concurrence of both Districts, the MVP Joint Venture cannot perform any construction activities in any streams and wetlands in West Virginia. In June 2018, the Sierra Club filed a second petition in the Fourth Circuit against the U.S. Army Corps, seeking review and a stay of the U.S. Army Corps Norfolk District's decision to verify the MVP Joint Venture's use of Nationwide Permit 12 for stream crossings in Virginia. The Fourth Circuit denied the Sierra Club's request for a stay on August 28, 2018. On October 5, 2018, the U.S. Army Corps' Norfolk District suspended its verification under Nationwide Permit 12 for stream crossings in Virginia pending the resolution of the West Virginia proceedings outlined below. On December 10, 2018, the U.S. Army Corps filed a motion to place the case in abeyance which the court granted on January 9, 2019. Until the U.S. Army Corps lifts its suspension, the MVP Joint Venture cannot perform any construction activities in any streams and wetlands in Virginia. Once the Huntington and Pittsburgh District issues are resolved, the Norfolk District will be in the position to consider lifting the suspension of the verification for the MVP Joint Venture's use of Nationwide Permit 12. The administrative proceeding described below is addressing the issues raised by the court. However, the MVP Joint Venture cannot guarantee that the agencies' actions will not be challenged or that the U.S. Army Corps Districts will act promptly or be deemed to have acted properly if challenged, in which case reverification may be further delayed. Additionally, the timing of these actions may be affected by the decision in *Northern Plains Resource Council*, outlined below.

- *WVDEP Rulemaking Proceedings - Section 401 Nationwide Permit.* On April 13, 2017, the West Virginia Department of Environmental Protection (WVDEP) issued a 401 Water Quality Certification for the U.S. Army Corps Nationwide Permits. In August 2018, the WVDEP initiated an administrative process to revise this certification and requested public comment to, among other things, specifically revise the 72-hour limit for stream crossings noted as problematic by the Fourth Circuit as well as other conditions. The WVDEP issued a new notice and comment period for further modifications of the 401 certification. On April 24, 2019, the WVDEP submitted the modification to the United States Environmental Protection Agency (the EPA) for approval (since the WVDEP is also required to obtain the EPA's agreement to the modified 401 certification) and provided notice to the U.S. Army Corps. The EPA's agreement to the WVDEP's modification of its water quality certification was received in August 2019 and, accordingly, the MVP Joint Venture anticipates that it will once again secure from the U.S. Army Corps Districts within West Virginia verification that its activities, including stream crossings, may proceed under Nationwide Permit 12 as re-certified by the WVDEP. The U.S. Army Corps approved the WVDEP's modification of its Nationwide Permit on January 24, 2020. The MVP Joint Venture submitted a new permit application on January 28, 2020 anticipating a permit decision in mid-2020. However, the timing of the decision may be affected by the decision in *Northern Plains Resource Council*, outlined below. Further, the MVP Joint Venture cannot guarantee that the WVDEP's action will not be challenged or that the U.S. Army Corps Districts will act promptly or be deemed to have acted properly if challenged, in which case reverification may be further delayed.
- *Sierra Club, et al. v. U.S. Forest Service, et al., consolidated under Case No. 17-2399, Fourth Circuit Court of Appeals.* In a different Fourth Circuit appeal filed in December 2017, the Sierra Club challenged a Bureau of Land Management (BLM) decision to grant a right-of-way to the MVP Joint Venture and a U.S. Forest Service (USFS) decision to amend its management plan to accommodate MVP, both of which affect the MVP's 3.6-mile segment in the Jefferson National Forest in Virginia. On July 27, 2018, agreeing in part with the Sierra Club, the Fourth Circuit vacated the BLM and USFS decisions, finding fault with the USFS' analysis of erosion and sedimentation effects and the BLM's analysis of the practicality of alternate routes. On August 3, 2018, citing the court's vacatur and remand, the FERC issued a stop work order for the entire pipeline pending the agency actions on remand. The FERC modified its stop work order on August 29, 2018 to allow work to continue on all but approximately 25 miles of the project. On October 10, 2018, the Fourth Circuit granted a petition for rehearing filed by the MVP Joint Venture for the limited purpose of clarifying that the July 27, 2018 order did not vacate the portion of the BLM's Record of Decision authorizing a right-of-way and temporary use permit for MVP to cross the Weston and Gauley Bridge Turnpike Trail in Braxton County, West Virginia. On October 15, 2018, the MVP Joint Venture filed with the FERC a request to further modify the August 3, 2018 stop work order to allow the MVP Joint Venture to complete the bore and install the pipeline under the Weston and Gauley Bridge Turnpike Trail. On October 24, 2018, the FERC granted the MVP Joint Venture's request to further modify the stop work order and authorize construction. However, work on the 3.6-mile segment in the Jefferson National Forest must await a revised authorization, which the MVP Joint Venture is working to obtain.
- *Challenges to FERC Certificate, Court of Appeals for the District of Columbia Circuit (DC Circuit).* Multiple parties have sought judicial review of the FERC's order issuing a certificate of convenience and necessity to the MVP Joint Venture and/or the exercise by the MVP Joint Venture of eminent domain authority. On February 19, 2019, the DC Circuit issued an order rejecting multiple consolidated petitions seeking direct review of the FERC order under the Natural Gas Act and certain challenges to the exercise by the MVP Joint Venture of eminent domain authority in *Appalachian Voices, et al. v. FERC, et al.*, consolidated under Case No. 17-1271. No petitions for rehearing or

petitions for rehearing en banc were filed by the April 5, 2019 deadline. The mandate was issued on April 17, 2019. Another group of parties filed a complaint in the U.S. District Court for the District of Columbia asserting that the FERC's order issuing certificates is unlawful on constitutional and other grounds in *Bold Alliance, et al. v. FERC, et al.*, Case No. 1:17-cv-01822-RJL. The district court plaintiffs seek declaratory relief as well as an injunction preventing the MVP Joint Venture from developing its project or exercising eminent domain authority. In December 2017 and January 2018, the FERC and the MVP Joint Venture, respectively, moved to dismiss the petitions for lack of subject matter jurisdiction. The court granted the motion and dismissed plaintiffs' complaint on September 28, 2018. On October 26, 2018, plaintiffs appealed to the DC Circuit in *Bold Alliance, et al. v. FERC, et al.*, Case No. 18-5322. On December 3, 2018, the FERC, as appellee, filed a joint motion with the appellants to hold Case No. 18-5322 in abeyance pending completion of the appeals of the final agency orders related to the MVP certificate in consolidated Case No. 17-1271 and Atlantic Coast Pipeline's (ACP) certificate. The MVP Joint Venture filed a motion to dismiss the case as to some of the plaintiffs. On February 15, 2019, the DC Circuit entered an order holding this appeal in abeyance pending rulings on the appeals from the ACP and MVP FERC proceedings. ACP's proceeding remains pending. Case No. 18-5322 remains in abeyance. If this challenge were successful, it could result in the MVP Joint Venture's certificate of convenience and necessity being vacated and/or additional proceedings before the FERC, the outcome of which the Company cannot predict.

- *Mountain Valley Pipeline, LLC v. 6.56 Acres of Land et al., Case No. 18-1159, Fourth Circuit Court of Appeals.* Several landowners filed challenges to the condemnation proceedings by which the MVP Joint Venture obtained access to their property in various U.S. District Courts. In each case, the district court found that the MVP Joint Venture was entitled to immediate possession of the easements, and the landowners appealed to the Fourth Circuit. The Fourth Circuit consolidated these cases and issued two opinions in 2019, one granting the MVP Joint Venture immediate access for construction of the pipeline and the other finding that the MVP Joint Venture did not have to condemn the interest of coal owners and that coal owners are not entitled to assert claims in the condemnation proceedings for lost coal on tracts for which they do not own a surface interest being condemned. A group of landowners filed a writ of certiorari with the United States Supreme Court regarding the Fourth Circuit's ruling on immediate access which was denied on October 7, 2019. District court trials on just compensation are ongoing.
- *Greenbrier River Watershed Ass'n v. WVDEP, Circuit Court of Summers County, West Virginia.* In August 2017, the Greenbrier River Watershed Association appealed the MVP Joint Venture's Natural Stream Preservation Act Permit obtained from the West Virginia Environmental Quality Board (WVEQB) for the Greenbrier River crossing. Petitioners alleged that the issuance of the permit failed to comply with West Virginia's Water Quality Standards for turbidity and sedimentation. The WVEQB dismissed the appeal in June 2018. In July 2018, the Greenbrier River Watershed Association appealed the decision to the Circuit Court of Summers County, asking the court to remand the permit with instructions to impose state-designated construction windows and pre- and post-construction monitoring requirements as well as a reversal of the WVEQB's decision that the permit was lawful. On September 18, 2018, the Circuit Court granted a stay. A hearing on the merits was held on October 23, 2018. The court has not yet issued a decision. In the event of an adverse decision, the MVP Joint Venture would appeal or work with the WVDEP to attempt to resolve the issues identified by the court.
- *Sierra Club et al. v. U.S. Dep't of Interior et al., Case No. 18-1082, Fourth Circuit Court of Appeals.* On August 6, 2018, the Fourth Circuit held that the National Park Service (NPS) acted arbitrarily and capriciously in granting the ACP a right-of-way permit across the Blue Ridge Parkway. Specifically, the Fourth Circuit found that the permit cited the wrong source of legal authority and the NPS failed to make a "threshold determination that granting the right-of-way is 'not inconsistent with the use of such lands for parkway purposes' and the overall National Park System to which it belongs." Even though the MVP Joint Venture is not named in the ACP litigation, the MVP route crosses the Blue Ridge Parkway roughly midway between mileposts 246 and 247 of the pipeline route and implicates some of the same deficiencies addressed by the court. The MVP Joint Venture elected to request that the NPS temporarily suspend its Blue Ridge Parkway permit until the deficiencies identified in the ACP litigation are resolved. While the MVP and ACP rights-of-way share some of the same regulatory issues, unlike ACP the portion of the MVP pipeline that crosses the Blue Ridge Parkway is completely constructed. NPS granted the MVP Joint Venture the ability to continue final restoration efforts on that portion of the pipeline during the course of the suspended permit. The MVP Joint Venture is working with the NPS to address MVP-related right-of-way issues.
- *Wild Virginia et al. v. United States Department of the Interior; Case No. 19-1866, Fourth Circuit Court of Appeals.* Petitioners filed a petition in the Fourth Circuit to challenge MVP's Biological Opinion and Incidental Take Statement issued by the Department of the Interior's Fish and Wildlife Service (FWS) which was approved in November 2017 (BiOp). Petitioners also requested a stay of the application of MVP's BiOp during the pendency of the court case. FWS subsequently requested that the court approve a stay of the litigation until January 11, 2020. On August 15, 2019,

the MVP Joint Venture submitted a project-wide voluntary suspension of construction activities that pose a risk of incidental take, based on the BiOp. On October 11, 2019, the Fourth Circuit issued an order approving the stay of the BiOp and held the litigation in abeyance until January 11, 2020 pending re-consultation between FWS and the FERC regarding FWS's review of the BiOp. In response to the Fourth Circuit's order, on October 15, 2019, the FERC issued an order to the MVP Joint Venture to cease all forward-construction progress. Subsequently, the FERC authorized certain limited construction activities to resume. After completion of the consultation period which was recently extended until May 27, 2020, the Company anticipates that FWS will issue a new biological opinion and incidental take statement for the MVP project, which would impact the current litigation.

Other Proceedings that May Affect the MVP Project

- *Cowpasture River Preservation Association, et al. v. U.S. Forest Service, et al., Case No. 18-1144, Fourth Circuit Court of Appeals.* On December 13, 2018, in an unrelated case involving the ACP, the Fourth Circuit held that the USFS, which is part of the Department of Agriculture, lacked the authority to grant rights-of-way for oil and gas pipelines to cross the Appalachian Trail. Although the MVP Joint Venture obtained its grant to cross the Appalachian Trail from the BLM, a part of the Department of Interior, the rationale of the Fourth Circuit's opinion could apply to the BLM as well. On February 25, 2019, the Fourth Circuit denied ACP's petition for en banc rehearing. The federal government and ACP filed petitions to the United States Supreme Court on June 26, 2019 seeking judicial review of the Fourth Circuit's decision. On October 4, 2019, the Supreme Court formally accepted the Petitioners' writ of certiorari. The oral arguments occurred on February 24, 2020. Based on general court practice, the Company anticipates that the Supreme Court will issue its decision before the end of the 2019-2020 term in June 2020. The MVP Joint Venture is continuing to pursue multiple options to address the Appalachian Trail issue, including but not limited to, administrative, regulatory and legislative options.
- *Grand Jury Subpoena.* On January 7, 2019, the MVP Joint Venture received a letter from the U.S. Attorney's Office for the Western District of Virginia stating that it and the EPA are investigating potential criminal and/or civil violations of the Clean Water Act and other federal statutes as they relate to the construction of the MVP. The January 7, 2019 letter requested that the MVP Joint Venture and its members, contractors, suppliers and other entities involved in the construction of the MVP preserve documents related to the MVP generated from September 1, 2018 to the present. In a telephone call on February 4, 2019, the U.S. Attorney's Office confirmed that it has opened a criminal investigation. On February 11, 2019, the MVP Joint Venture received a grand jury subpoena from the U.S. Attorney's Office for the Western District of Virginia requesting certain documents related to the MVP from August 1, 2018 to the present. The MVP Joint Venture is complying with the letter and subpoena but cannot predict whether any action will ultimately be brought by the U.S. Attorney's Office or what the outcome of such an action would be. The MVP Joint Venture began a rolling production of documents responsive to the subpoena after the U.S. Attorney's office narrowed its subpoena inquiry to five farms in Virginia containing twenty streams or wetlands.
- *Northern Plains Resource Council, et al. v. Army Corps of Engineers., Case no. CV-19-44-GF-BMM, U.S. District Court for the District of Montana.* In *Northern Plains Resource Council, et al. v. Army Corps of Engineers*, Judge Brian Morris of the U.S. District Court for the District of Montana found that the U.S. Army Corp was required to conduct Endangered Species Act (ESA) consultations with federal wildlife agencies when it last revised Nationwide Permit 12 in 2017, the general permit governing dredge-and-fill activities for pipeline and other utility line construction projects. The Court enjoined the U.S. Army Corps from authorizing any dredge or fill activities under Nationwide Permit 12 in Montana. Based on these findings, the order vacated Nationwide Permit 12, remanded it to the U.S. Army Corps to consult with the applicable federal wildlife agencies, and prohibited the U.S. Army Corps from authorizing projects under Nationwide Permit 12 until consultation is complete. Following the order, the U.S. Army Corps suspended Nationwide Permit 12 which could cause the U.S. Army Corps to decline to verify future construction activities submitted under Nationwide Permit 12 pending further court action. On April 28, 2020, the Court denied the Department of Justice's motion to stay the vacatur pending appeal but granted a motion for expedited briefing. On May 11, 2020, Judge Morris denied the U.S. Army Corps' motion to stay the order pending appeal, and narrowed the original opinion's scope to allow use of Nationwide Permit 12 on non-pipeline construction activities and routine maintenance, inspection and repair activities on existing Nationwide Permit 12 projects. The Department of Justice appealed the decision to, and requested an administrative stay from, the Ninth Circuit Court of Appeals on May 13, 2020. Such actions will take time and outcomes remain uncertain. If the ruling is applied nationwide, Equitrans Midstream expects a delay in obtaining approval of the MVP Joint Venture's pending Nationwide Permit 12 permits which were submitted to the U.S. Army Corps in January 2020.

For additional information on legal proceedings, see also "Item 3. Legal Proceedings" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

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, 2019 other than the risks described below.

The outbreak of COVID-19 (or any future pandemic), and related declines in economic output and associated demand for natural gas, could harm the business, results of operations and financial condition of each of EQM and us.

In December 2019, COVID-19 was reported in China, and, in January 2020, the World Health Organization declared it a Public Health Emergency of International Concern. COVID-19 has since spread to additional countries including the United States, causing significant business, employment and economic disruptions. Measures adopted by governments to help reduce the spread of the virus have adversely affected the economic and financial markets in the United States and many other countries, resulting in an economic downturn of unknown duration and severity.

Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 outbreak (or any other outbreak) on the domestic economy, the natural gas industry, or EQM or us; however, our and EQM's business, results of operations and financial condition could be negatively affected in numerous ways, including, without limitation, that:

- EQM's customers may be adversely affected if the outbreak results in an economic downturn or recession and/or causes declines in the price of, demand for and production of natural gas or prevents such customers (particularly EQM's largest customer) from conducting, or curtails their ability to conduct, field operations and continue natural gas production, which could reduce demand for EQM's services, negatively affect throughput on EQM's systems or heighten EQM's exposure to risk of loss resulting from the nonpayment and/or nonperformance of its customers;
- our and EQM's operations may be disrupted or become less efficient if a significant portion of our employees or contractors are unavailable due to illness or if EQM's field operations, including in respect of projects in development, were to be suspended or temporarily shut down or restricted due to outbreak control measures;
- legal and regulatory processes relating to EQM's projects in development, including the MVP project, may be disrupted or slowed, such as if relevant governmental authorities suffer reduced workforce availability due to the virus; and
- resultant disruption to, and instability in, financial and credit markets may adversely affect our and EQM's access to capital, leverage and liquidity levels and credit ratings, as well as EQM's counterparties' access to capital, business continuity, financial stability, leverage and liquidity levels and credit ratings (which could heighten counterparty credit risk to which EQM is exposed in the ordinary course of its business).

Additionally, the Equitrans Midstream shareholder and EQM limited partner votes in respect of the EQM Merger could be delayed, and the ability of the post-EQM Merger consolidated company to realize benefits from the EQM Merger may be adversely affected by the COVID-19 outbreak (including as a result of the occurrence of any of the above-described factors). Although we believe that we and EQM are following best practices under COVID-19 guidance and intend to continue to refine our practices as additional guidance is released, there is no guarantee that efforts by EQM and us or any other entity or authority to mitigate potential adverse impacts of the COVID-19 outbreak, whether on a local, state or national level, will be effective.

Each of EQM and us also may incur additional costs to further attempt to mitigate potential impacts caused by COVID-19 related disruptions, which could adversely affect our financial condition and results of operations. Further, the COVID-19 pandemic may have the effect of heightening many of the other risks set forth in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, as may be updated by risk factor disclosure our Quarterly Reports on Form 10-Q for subsequent periods. The extent of the impact of COVID-19 on EQM and us will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, duration of the outbreak and related economic effects and aftereffects (including on the natural gas industry), and actions taken to contain COVID-19 or its impact, among others.

We may further reduce the amount of the cash dividend that we pay on our common stock or may not pay any cash dividends at all to our shareholders. Our ability to declare and pay cash dividends to our shareholders, if any, in the future will depend on various factors, many of which are beyond our control.

We are not required to declare dividends of our available cash to our common shareholders. In addition, as described below,

following the closing of the EQM Merger, we will be prohibited from paying any dividends to our shareholders until we pay dividends on the Equitrans Midstream Preferred Shares. On April 27, 2020, our Board of Directors declared a first quarter 2020 dividend that is 67% lower than our fourth quarter 2019 quarterly dividend. Our Board of Directors may further reduce the amount of the cash dividend that we pay on our common stock or may decide not to declare any dividends in the future. Any payment of future dividends will be at the sole discretion of the Board of Directors and will depend upon many factors, including the financial condition, earnings, liquidity and capital requirements of our operating subsidiaries, covenants associated with certain debt obligations, legal requirements, leverage, regulatory constraints and other factors deemed relevant by our Board of Directors.

Upon the closing of the pending EQM Merger, former EQM common unitholders will own approximately 50% of the total voting power of our common stock (which includes the Equitrans Midstream Preferred Shares to be issued in connection with the EQM Merger, which will have the right to vote on an as-converted basis with our shareholders). As a result, our current shareholders will experience significant dilution as a result of the EQM Merger.

If the EQM Merger is successfully completed, we expect that we will issue approximately 203.2 million shares of our common stock at the effective time in connection with the EQM Merger. In connection with the EQM Merger, we will also issue newly-created Equitrans Midstream Preferred Shares that will be convertible into our common stock and which will have the right to vote on an as-converted basis with our shareholders. In addition, in the future we may issue common stock or other equity to raise cash for our projects, operations, acquisitions or other purposes and may also acquire interests in other companies by using a combination of cash and our equity or just our equity.

Any of these events may dilute the ownership interests of the current holders of our common stock, reduce our earnings per share and have an adverse effect on the price of our common stock. The issuance of these new shares and the sale of additional shares from time to time could have the effect of depressing the market value for our common stock. The increase in the number of shares of our common stock outstanding, and any resulting dilution, may cause holders to sell shares of our common stock or may create the perception that such sales may occur, either of which may adversely affect the market for, and the market value of, our common stock.

We and EQM are and in the future may be targets of securities class action and derivative lawsuits, which could result in substantial costs and may delay or prevent the completion of the EQM Merger.

Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into merger agreements in an effort to enjoin the relevant merger or seek monetary relief. We and EQM are currently defendants in lawsuits related to the EQM Merger Agreement and the EQM Merger and, even if the pending or any future lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. We and EQM cannot predict the outcome of these lawsuits, or others, nor can either company predict the amount of time and expense that will be required to resolve such litigation. An unfavorable resolution of any such litigation surrounding the EQM Merger could delay or prevent its consummation. In addition, the costs of defending the litigation, even if resolved in our or EQM's favor, could be substantial and such litigation could distract us and EQM from pursuing the consummation of the EQM Merger and other potentially beneficial business opportunities.

As part of the EQM Merger and the related Restructuring, EQM has agreed to redeem \$600.0 million aggregate principal amount of EQM's issued and outstanding Series A Preferred Units for cash at 101% of the Series A Preferred Unit Purchase Price plus any accrued and unpaid distribution amounts and partial period distribution amounts and, after giving effect to such redemption, we have agreed to issue 2.44 Equitrans Midstream Preferred Shares in exchange for each remaining Series A Preferred Unit.

In April 2019, EQM sold an aggregate of 24,605,291 Series A Preferred Units to the Investors and certain of their affiliates in a private placement for a cash purchase price equal to the Series A Preferred Unit Purchase Price.

Under the EQM Partnership Agreement, the Investors are entitled to make certain elections as to treatment of their Series A Preferred Units in respect of certain change of control events of EQM. In lieu of making an election, and in satisfaction of the Investors' rights under the EQM Partnership Agreement upon a change of control of EQM, the holders of the Series A Preferred Units and we have agreed that, at the effective time of the EQM Merger, (i) EQM will redeem \$600.0 million aggregate principal amount of EQM's issued and outstanding Series A Preferred Units for cash at 101% of the Series A Preferred Unit Purchase Price plus any accrued and unpaid distribution amounts and partial period distribution amounts, and (ii) after giving effect to such redemption, we will create and issue 2.44 new Equitrans Midstream Preferred Shares in exchange for each remaining Series A Preferred Unit.

At the time of issuance, the Equitrans Midstream Preferred Shares will have the following rights and preferences:

- The Equitrans Midstream Preferred Shares are a new class of security that will rank *pari passu* with any other outstanding class or series of our preferred stock and senior to all shares of our common stock with respect to dividend rights and rights upon liquidation.
- The Equitrans Midstream Preferred Shares will vote on an as-converted basis with our common stock and will have certain other class voting rights with respect to any amendment to our Certificate of Designations relating to the Equitrans Midstream Preferred Shares or our Amended and Restated Articles of Incorporation that would be adverse (other than in a *de minimis* manner) to any of the rights, preferences or privileges of the Equitrans Midstream Preferred Shares.
- The holders of the Equitrans Midstream Preferred Shares will receive cumulative quarterly dividends at a rate per annum of 9.75% for each quarter ending on or before March 31, 2024, and thereafter the quarterly dividends at a rate per annum equal to the sum of (i) three-month LIBOR as of a LIBOR Determination Date (as defined in the Certificate of Designations) in respect of the applicable quarter and (ii) 8.15%; provided that the rate per annum in respect of periods after March 31, 2024 shall not be less than 10.50%.
- We will not be entitled to pay any dividends on any junior securities, including any shares of our common stock, prior to paying the quarterly dividends payable to the Equitrans Midstream Preferred Shares, including any previously accrued and unpaid dividends.
- Each holder of the Equitrans Midstream Preferred Shares may elect to convert all or any portion of the Equitrans Midstream Preferred Shares owned by it into our common stock initially on a one-for-one basis, subject to certain anti-dilution adjustments and an adjustment for any dividends that have accrued but not been paid when due and partial period dividends (referred to as the “conversion rate”), at any time (but not more often than once per fiscal quarter) after April 10, 2021 (or earlier liquidation, dissolution or winding up of us), provided that any conversion involves an aggregate number of Equitrans Midstream Preferred Shares of at least \$20.0 million (calculated based on the closing price of our common stock on the trading day preceding notice of the conversion) or such lesser amount if such conversion relates to all of a holder’s remaining Equitrans Midstream Preferred Shares or if such conversion is approved by our Board of Directors.
- So long as the holders of Equitrans Midstream Preferred Shares have not elected to convert all of their Equitrans Midstream Preferred Shares into our common stock, we may elect to convert all of the Equitrans Midstream Preferred Shares for our common stock at any time after April 10, 2021 if (i) our common stock is listed for, or admitted to, trading on a national securities exchange, (ii) the Equitrans Midstream Preferred Share Issue Price for the 20 consecutive trading days immediately preceding notice of the conversion, (iii) the average daily trading volume of our common stock on the national securities exchange on which our common stock is listed for, or admitted to, trading exceeds 1,000,000 shares of our common stock (subject to certain adjustments) for the 20 consecutive trading days immediately preceding notice of the conversion, (iv) we have an effective registration statement on file with the SEC covering resales of our common stock to be received by such holders upon any such conversion and (v) we have paid all accrued quarterly dividends in cash to the holders.
- Upon certain events involving a Change of Control (as defined in the Certificate of Designations) in which more than 90% of the consideration payable to us, or to the holders of our common stock is payable in cash, the Equitrans Midstream Preferred Shares will automatically convert into our common stock at a conversion ratio equal to the greater of (i) the quotient of (a) the sum of (x) the Equitrans Midstream Preferred Share Issue Price plus (y) any accrued and unpaid dividends on such date, including any partial period dividends with respect to the Equitrans Midstream Preferred Shares on such date, divided by (b) the Equitrans Midstream Preferred Share Issue Price and (ii) the quotient of (a) the sum of (x) (1) the Equitrans Midstream Preferred Share Issue Price multiplied by (2) 110% plus (y) any accrued and unpaid dividends on such date, including any partial period dividends, with respect to the Equitrans Midstream Preferred Shares on such date, divided by (b) the volume weighted average price of the shares of our common stock for the 30-day period ending immediately prior to the execution of definitive documentation relating to the Change of Control.
- In connection with other Change of Control events that do not satisfy the 90% cash consideration threshold described above, in addition to certain other conditions, each holder of Equitrans Midstream Preferred Shares may elect to (a) convert all, but not less than all, of its Equitrans Midstream Preferred Shares into our common stock at the then applicable conversion rate, (b) if we are not the surviving entity (or if we are the surviving entity, but our common

stock will cease to be listed), require us to use commercially reasonable efforts to cause the surviving entity in any such transaction to issue a substantially equivalent security that has rights, preferences and privileges substantially equivalent to the Equitrans Midstream Preferred Shares (or if we are unable to cause such substantially equivalent securities to be issued, to exercise the option described in clause (a) or (d) hereof or elect to convert such Equitrans Midstream Preferred Shares at a conversion ratio reflecting a multiple of invested capital), (c) if we are the surviving entity, continue to hold the Equitrans Midstream Preferred Shares or (d) require us to redeem the Equitrans Midstream Preferred Shares at a price per share equal to 101% of the Equitrans Midstream Preferred Share Issue Price, plus accrued and unpaid dividends, including any partial period dividends, on the applicable Equitrans Midstream Preferred Shares on such date, which redemption price may be payable in cash, our common stock or a combination thereof at our election (and, if payable in our common stock, such common stock will be issued at 95% of the volume weighted average price of our common stock for the 20-day period ending on the fifth trading day immediately preceding the consummation of the Change of Control). Any holder of Equitrans Midstream Preferred Shares that requires us to redeem its Equitrans Midstream Preferred Shares pursuant to clause (d) above will have the right to withdraw such election with respect to all, but not less than all, of its Equitrans Midstream Preferred Shares at any time prior to the fifth trading day immediately preceding the consummation of the Change of Control and instead elect to be treated in accordance with any of clauses (a), (b) or (c) above.

- At any time on or after January 1, 2024, we will have the right, subject to applicable law, to redeem the Equitrans Midstream Preferred Shares, in whole or in part, by paying cash for each Equitrans Midstream Preferred Share to be redeemed in an amount equal to the greater of (a) the sum of (i)(1) the Equitrans Midstream Preferred Share Issue Price multiplied by (2) 110%, plus (ii) any accrued and unpaid dividends, including any partial period dividends, with respect to the Equitrans Midstream Preferred Shares on such date and (b) the amount the holder of such Equitrans Midstream Preferred Share would receive if such holder had converted such Equitrans Midstream Preferred Share into shares of our common stock at the then-applicable conversion ratio and we liquidated immediately thereafter.
- Pursuant to the terms of the Restructuring Agreement, in connection with the closing of the Restructuring, we have agreed to enter into the Registration Rights Agreement pursuant to which, among other things, we will give the Investors certain rights to require us to file and maintain one or more registration statements with respect to the resale of the Equitrans Midstream Preferred Shares and the shares of our common stock that are issuable upon conversion of the Equitrans Midstream Preferred Shares, and which, upon request by certain Investors party to the Registration Rights Agreement, will require us to initiate underwritten offerings for the Equitrans Midstream Preferred Shares and the shares of our common stock that are issuable upon conversion of the Equitrans Midstream Preferred Shares and use our best efforts to cause the Equitrans Midstream Preferred Shares to be listed on the securities exchange on which the shares of our common stock are then listed.

The creation and issuance of the Equitrans Midstream Preferred Shares present a number of risks to current and future holders of our common stock, including a preference in favor of holders of Equitrans Midstream Preferred Shares in the payment of dividends on our common stock, the risk of dilution occurring as a result of the conversion of the Equitrans Midstream Preferred Shares into our common stock and the ability of the holders of the Equitrans Midstream Preferred Shares to vote with the holders of our common stock on most matters, as well as the risk that the holders of the Equitrans Midstream Preferred Shares will have certain other class voting rights with respect to any amendment to our organizational documents that would be adverse (other than in a *de minimis* manner) to any of the rights, preferences or privileges of the Equitrans Midstream Preferred Shares.

Reviews of our goodwill and intangible and other long-lived assets have resulted in significant impairment charges and reviews of goodwill, intangible and other long-lived assets (including equity method investments) could result in future significant impairment charges.

GAAP requires us to perform an assessment of goodwill at the reporting unit level for impairment at least annually and whenever events or changes in circumstance indicate that the fair value of a reporting unit is more likely than not less than its carrying amount.

We may perform either a qualitative or quantitative assessment of potential impairment. Our qualitative assessment of potential impairment may result in the determination that a quantitative impairment analysis is not necessary. Under this elective process, we assess qualitative factors to determine whether the existence of events or circumstances leads us to determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If after assessing the totality of events or circumstances, we determine that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then performing a quantitative analysis is not required. However, if we conclude otherwise, then we perform a quantitative impairment analysis. If we choose not to perform a qualitative assessment, or if we choose to perform a qualitative

assessment but are unable to qualitatively conclude that no impairment has occurred, then we will perform a quantitative assessment. In the case of a quantitative assessment, we estimate the fair value of the reporting unit with which the goodwill is associated and compare it to the carrying value. If the estimated fair value of a reporting unit is less than its carrying value, an impairment charge is recognized for the excess of the reporting unit's carrying value over its fair value.

Assessing the recoverability of goodwill requires significant judgments and estimates by management. Fair values of reporting units to which goodwill is recorded are primarily estimated using the discounted cash flow method, which applies significant inputs not observable in the public market (Level 3), including estimates and assumptions related to the use of an appropriate discount rate, future throughput volumes and revenues from volumetric-based fees (which may vary with changes in customer development plans), operating costs, capital spending and changes in working capital. All of our goodwill as of March 31, 2020 relates to businesses that were acquired and valued by EQT's management in the November 2017 acquisition by EQT of Rice Energy Inc. The reporting unit to which goodwill is recorded as of March 31, 2020 is the EQM Opco reporting unit, which is a reporting unit associated with the gas gathering and compression activities of EQM Gathering Opco, LLC, an indirect wholly owned subsidiary of EQM, and which includes, as a result of the EQT Global GGA, the assets under, and operations associated with, the RMP PA Gas Gathering reporting unit. The RMP PA Gas Gathering reporting unit reflected the Pennsylvania gathering assets acquired in connection with EQM's merger with Rice Midstream Partners LP in July 2018 (RMP PA Gas Gathering) and was, effective on the EQT Global GGA Effective Date, merged with and into the EQM Opco reporting unit, with the EQM Opco reporting unit surviving.

During 2019, we recognized impairments to goodwill in the third quarter of \$168.9 million and \$99.2 million on RMP PA Gas Gathering and the Ohio and West Virginia gathering assets acquired in the Bolt-on Acquisition, respectively. Additionally, for the fourth quarter of 2019, we recognized impairment of goodwill of \$433.2 million and \$150.5 million on RMP PA Gas Gathering and the Ohio gathering assets acquired by EQM through its indirect acquisition in May 2018 of all the outstanding limited liability company interests in each of Rice West Virginia Midstream LLC (now known as EQM West Virginia Midstream LLC), Rice Olympus Midstream LLC (now known as EQM Olympus Midstream LLC) and Strike Force Midstream Holdings LLC, respectively.

We evaluate long-lived assets, including related intangibles and equity method investments, for impairment when events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable (or, in the case of equity method investments, that such investments have suffered other-than-temporary declines in value). Asset recoverability is measured by comparing the carrying value of the asset or asset group (or equity method investment) with its expected future pre-tax undiscounted cash flows. These cash flow estimates require us to make projections and assumptions for many years into the future for pricing, demand, competition, operating cost, commencement of operations, resolution of relevant legal and regulatory matters, and other factors. If the carrying amount exceeds the expected future undiscounted cash flows, we recognize an impairment equal to the excess of net book value over fair value as determined by quoted market prices in active markets or present value techniques if quotes are unavailable. The determination of the fair value using present value techniques requires us to make projections and assumptions regarding the probability of a range of outcomes and the rates of interest used in the present value calculations. Any changes we make to these projections and assumptions could result in significant revisions to evaluations of recoverability or whether declines in value are other-than-temporary and the recognition of additional impairments.

As of March 31, 2020, we performed a recoverability test of the Hornet Midstream long-lived assets due to decreased producer activity. As a result of the recoverability test, management determined that the carrying value of the Hornet Midstream long-lived assets (consisting of gathering assets and customer-related intangible assets) acquired in the Bolt-on Acquisition was not recoverable, which resulted in impairment charges of approximately \$37.9 million to the gathering assets and approximately \$17.7 million to the customer-related intangible assets.

If the operations or projected operating results of EQM's businesses decline significantly, we could incur additional goodwill impairment charges. Further, if we determine that the carrying value of long-lived assets is not recoverable or values associated with equity method investments, such as investments in the MVP Joint Venture, have suffered other-than-temporary declines, we could incur additional impairment charges. Future impairment charges could be significant and could have a material adverse impact on our financial condition and results of operations for the period in which the impairment is recorded. As of March 31, 2020, we had approximately \$486.7 million of goodwill (all associated with the EQM Opco reporting unit) and \$11.0 billion of long-lived assets, including intangibles and equity method investments, which will be monitored for future impairment. Management will continue to monitor and evaluate the factors underlying the fair market value of acquired businesses and assets and equity method investments to determine if any assessments are necessary and will take any additional impairment charges required.

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

The following table sets forth the Company's repurchases of equity securities registered under Section 12 of the Exchange Act that occurred during the three months ended March 31, 2020:

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	Approximate dollar value of shares that may yet be purchased under plans or programs
January 2020 (January 1 - January 31)	986	\$ 11.06	—	\$ —
February 2020 (February 1 - February 29)	24,762	11.57	—	—
March 2020 (March 1 - March 31) ^(b)	25,303,440	6.25	—	—
Total	25,329,188	\$ 6.26	—	\$ —

(a) The number of shares withheld by the Company to pay taxes upon vesting of restricted stock included 986 shares, 24,762 shares and 3,688 shares in January 2020, February 2020 and March 2020, respectively.

(b) Includes 25,299,752 shares purchased by the Company pursuant to the Share Purchase Agreements.

Item 6. Exhibits

Exhibit No.	Document Description	Method of Filing
2.1**	Agreement and Plan of Merger, dated as of February 26, 2020, by and among Equitrans Midstream Corporation, EQM LP Corporation, LS Merger Sub, LLC, EQM Midstream Partners, LP and EQGP Services, LLC.	Incorporated herein by reference to Exhibit 2.1 to EQM Midstream Partners, LP's Form 8-K (#001-35574) filed on February 28, 2020.
3.1	Second Amendment to Fourth Amended and Restated Agreement of Limited Partnership of EQM Midstream Partners, LP, dated as of February 26, 2020.	Incorporated herein by reference to Exhibit 3.1 to EQM Midstream Partners, LP's Form 8-K (#001-35574) filed on February 28, 2020.
3.2	Second Amended and Restated Limited Liability Company Agreement of EQGP Services, LLC, dated as of October 12, 2018.	Incorporated herein by reference to Exhibit 3.5 to EQM Midstream Partners, LP's Form 8-K (#001-35574) filed on February 22, 2019.
3.3	Third Amendment to Fourth Amended and Restated Agreement of Limited Partnership of EQM Midstream Partners, LP, dated as of April 29, 2020.	Incorporated herein by reference to Exhibit 3.1 to Form 8-K (#001-35574) filed by EQM Midstream Partners, LP on April 29, 2020.
10.1**	Preferred Restructuring Agreement, dated as of February 26, 2020, by and among Equitrans Midstream Corporation, EQM Midstream Partners, LP and the Investors party thereto.	Incorporated herein by reference to Exhibit 10.1 to Form 8-K (#001-38629) filed on February 28, 2020.
10.2	Loan Agreement, dated as of March 3, 2020, by and between EQM Midstream Partners, LP and Equitrans Midstream Corporation.	Incorporated herein by reference to Exhibit 10.1 to Form 8-K (#001-38629) filed on March 6, 2020.
10.3	Promissory Note, dated as of March 5, 2020, by and between Equitrans Midstream Corporation and EQM Midstream Partners, LP (as assignee of EQT Corporation).	Incorporated herein by reference to Exhibit 10.2 to Form 8-K (#001-38629) filed on March 6, 2020.
10.4#	Gas Gathering and Compression Agreement, dated as of February 26, 2020, by and among EQT Corporation, EQT Production Company, Rice Drilling B LLC, EQT Energy, LLC and EQM Gathering Opco, LLC.	Incorporated herein by reference to Exhibit 10.4 to Form 8-K/A (#001-38629) filed on March 13, 2020.
10.5#	Credit Letter Agreement, dated as of February 26, 2020, by and between EQM Midstream Partners, LP and EQT Corporation.	Filed herewith as Exhibit 10.5.
10.6	Water Services Letter Agreement, dated as of February 26, 2020, by and among EQT Production Company, Rice Drilling B LLC, EQM Gathering Opco, LLC and Equitrans Water Services (PA) LLC.	Incorporated herein by reference to Exhibit 10.6 to Form 8-K/A (#001-38629) filed on March 13, 2020.
10.7	First Amendment to Third Amended and Restated Credit Agreement, dated as of March 30, 2020, by and among EQM Midstream Partners, LP, the lender parties thereto and Wells Fargo Bank, National Association, as administrative agent.	Incorporated herein by reference to Exhibit 10.1 to Form 8-K (#001-38629) filed on March 30, 2020.
10.8	First Amendment to Term Loan Agreement, dated as of March 30, 2020, by and among EQM Midstream Partners, LP, the lender parties thereto and Toronto Dominion (Texas) LLC, as administrative agent.	Incorporated herein by reference to Exhibit 10.2 to Form 8-K (#001-38629) filed on March 30, 2020.
10.9	Share Purchase Agreement, dated as of February 26, 2020, by and between Equitrans Midstream Corporation and EQT Corporation.	Incorporated herein by reference to Exhibit 10.2 to Form 8-K (#001-38629) filed on February 28, 2020.

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10.10	Share Purchase Agreement, dated as of February 26, 2020, by and between Equitrans Midstream Corporation and EQT Corporation.	Incorporated herein by reference to Exhibit 10.3 to Form 8-K (#001-38629) filed on February 28, 2020.
10.11	First Amendment to Third Amended and Restated Limited Liability Company Agreement of Mountain Valley Pipeline, LLC, dated as of February 5, 2020, by and among MVP Holdco, LLC, US Marcellus Gas Infrastructure, LLC, WGL Midstream, Inc., Con Edison Gas Pipeline and Storage, LLC and Mountain Valley Pipeline, LLC.	Incorporated hereby by reference to Exhibit 10.21(b) to Form 10-K (#001-38629) for the year ended December 31, 2019.
10.12	Transportation Service Agreement Applicable to Firm Transportation Service Under Rate Schedule FTS, Contract No. EQTR19837-1296, dated as of January 8, 2016 and amended through January 9, 2020, by and between Equitrans, L.P. and EQT Energy, LLC.	Incorporated hereby by reference to Exhibit 10.37 to Form 10-K (#001-38629) for the year ended December 31, 2019.
10.13	Equitrans Midstream Corporation 2020 Performance Share Unit Program.	Filed herewith as Exhibit 10.13.
10.14	Form of Participant Award Agreement under 2020 Performance Share Unit Program.	Filed herewith as Exhibit 10.14.
10.15	Form of Equitrans Midstream Corporation Restricted Stock Award Agreement (2020 Awards).	Filed herewith as Exhibit 10.15.
10.16	Amended and Restated Equitrans Midstream Corporation Short-Term Incentive Plan.	Filed herewith as Exhibit 10.16.
10.17##	Confidentiality, Non-Solicitation and Change of Control Agreement, dated as of April 14, 2020, by and between Equitrans Midstream Corporation and Brian P. Pietrandrea.	Filed herewith as Exhibit 10.17.
10.18	Equitrans Midstream Corporation Amended and Restated Directors' Deferred Compensation Plan.	Filed herewith as Exhibit 10.18.
31.1	Rule 13(a)-14(a) Certification of Principal Executive Officer.	Filed herewith as Exhibit 31.1.
31.2	Rule 13(a)-14(a) Certification of Principal Financial Officer.	Filed herewith as Exhibit 31.2.
32	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer.	Furnished herewith as Exhibit 32.
101	Inline Interactive Data File.	Filed herewith as Exhibit 101.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	Filed herewith as Exhibit 104.

*** Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. Equitrans Midstream Corporation hereby undertakes to furnish supplemental copies of any of the omitted schedules and exhibits upon request by the SEC.*

Certain portions of the exhibits that are not material and would be competitively harmful if publicly disclosed have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. Copies of the unredacted exhibits will be furnished to the SEC upon request.

Certain personally identifiable information has been omitted from this exhibit pursuant to Item 601(a)(6) of Regulation S-K.

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.

Equitrans Midstream Corporation

(Registrant)

By:

/s/ Kirk R. Oliver

Kirk R. Oliver

Senior Vice President and Chief Financial Officer

Date: May 14, 2020

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE SUCH TERMS ARE BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO EQUITRANS MIDSTREAM CORPORATION AND EQM MIDSTREAM PARTNERS, LP IF PUBLICLY DISCLOSED. THESE REDACTED TERMS HAVE BEEN MARKED IN THIS EXHIBIT AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [*].**

CREDIT LETTER AGREEMENT

This agreement (this “**Letter Agreement**”) is made as of February 26, 2020 (the “**Effective Date**”), by and between EQT Corporation, a Pennsylvania corporation (“**EQT**”), and EQM Midstream Partners, LP, a Delaware limited partnership (“**EQM**”). EQT and EQM are referred to herein collectively as the “**Parties**” and each, individually, as a “**Party**.”

WHEREAS, EQT, EQT Energy, LLC (“**EE**”), a Delaware limited liability company and wholly owned subsidiary of EQT, EQT Production Company (“**EQT Production**”), a Pennsylvania corporation and wholly owned subsidiary of EQT, and Rice Drilling B LLC, a Delaware limited liability company and subsidiary of EQT (collectively, the “**EQT Parties**”), and EQM Gathering Opco, LLC (“**EQM Gathering Opco**”), a Delaware limited liability company and wholly owned subsidiary of EQM, entered into that certain Gas Gathering and Compression Agreement, effective as of April 1, 2020 (the “**GGA**”), whereby the EQT Parties dedicated production in West Virginia and Pennsylvania for gathering by EQM Gathering Opco in exchange for certain commercial terms;

WHEREAS, the Parties desire to amend the terms relating to credit support obligations with respect to certain existing agreements between each of EQT and EQM and certain of their affiliates;

WHEREAS, the Parties desire to agree to use commercially reasonable efforts to amend the terms relating to credit support obligations with respect to certain other existing agreements between each of EQT and EQM and certain of their affiliates; and

WHEREAS, the Parties desire to set forth certain additional agreements relating to credit support obligations under that certain Second Restated Credit Agreement, effective as of December 20, 2017, by and between EE and Mountain Valley Pipeline, LLC, Series A, a Delaware limited liability company operated by a wholly owned subsidiary of EQM (as amended, restated, supplemented or otherwise modified from time to time, the “**MVP Agreement**”).

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein and in the GGA, the Parties hereby agree as follows:

ARTICLE 1 CREDIT SUPPORT AGREEMENTS

Section 1.1 Amendments to the EQM Controlled Agreements.

(a) The Parties acknowledge and agree that, effective as of the Effective Date, each of the agreements set forth on Exhibit A-1 (the “**Controlled Agreements**”) shall be deemed amended as necessary to include the credit support terms set forth under Section 5.5 of the GGA (including the Minimum Credit Standard) (such terms, the “**GGA Credit Support Obligations**”), *mutatis mutandis*, other than with respect to the amount of any credit support obligation under any Controlled Agreement (which shall not be deemed amended). To the extent any adequate assurance provision or other credit support obligations set forth in any Controlled Agreement conflict with the GGA Credit Support Obligations, then the GGA Credit Support Obligations shall control to the extent of such conflict. The amendment of each Controlled Agreement under this Section 1.1(a) shall be effective until the earlier of: (i) the execution of the formal amendment of such Controlled Agreement pursuant to Section 1.1(b) and (ii) the expiration of this Letter Agreement pursuant to Section 2.2.

(b) On or prior to March 27, 2020, the Parties shall prepare and execute (or cause their applicable affiliate(s) to execute) a formal amendment to each Controlled Agreement replacing all existing credit support obligations (other than the amount of any credit support) with the GGA Credit Support Obligations; provided that the amount of any credit support obligations as set forth in the formal amendment to each Controlled Agreement shall be reasonably determined by the Parties consistent with how the credit support amount was determined by the Parties in the GGA.

Section 1.2 Amendment to the JV Agreements. The Parties acknowledge and agree that within 15 days following the Effective Date, the Parties shall prepare an amendment to each of the agreements set forth on Exhibit A-2 (the “**JV Agreements**”) replacing the credit support obligations set forth in each such JV Agreement (other than the amount of any credit support obligations thereunder) with the GGA Credit Support Obligations (each, a “**JV Agreement Amendment**”). EQM and EQT shall each cooperate in good faith and use their commercially reasonable efforts to cause the applicable counterparties to each JV Agreement to approve and execute each of the JV Agreement Amendments on or before March 27, 2020; *provided* that EQT acknowledges that EQM does not control the actions of certain of the counterparties to the JV Agreements and EQM shall have no liability to EQT (other than for failure to comply with its obligations under this Section 1.2) in the event that the Parties are unable to successfully negotiate for an amendment to any of the JV Agreements in accordance with the terms of this Section 1.2.

Section 1.3 Cooperation on Amendment of MVP Credit Obligations. EQM acknowledges and agrees that concurrently with the execution of this Letter Agreement, EQM shall execute and cause its applicable subsidiaries to execute, a Letter Agreement in the form attached hereto as Exhibit C (the “**MVP Letter Agreement**”) amending EQT’s credit support obligations under the MVP Agreement. Following the Effective Date, EQM shall use its reasonable best efforts to cause each of the counterparties set forth in the MVP Letter Agreement to execute such MVP Letter Agreement as soon as reasonably practicable following the Effective Date or, if such counterparties refuse to sign the MVP Letter Agreement, EQM shall continue to use reasonable best efforts to cause such counterparties (including Mountain Valley Pipeline, LLC) to execute an amendment to the MVP Agreement that provides for the same credit support obligations of EQT as set forth in the MVP Letter Agreement; *provided* that EQT acknowledges that EQM does not control certain actions of such counterparties (including Mountain Valley Pipeline, LLC) and EQM shall have no liability (other than for failure to comply with its obligations under this Section 1.3)

to EQT in the event that the Parties are unable to successfully execute the MVP Letter Agreement or otherwise amend the MVP Agreement in accordance with the terms of this Section 1.3.

Section 1.4 Guarantees. The Parties acknowledge and agree that following the execution hereof, the guarantees set forth on Exhibit B shall remain in effect and unchanged.

ARTICLE 2 MISCELLANEOUS

Section 2.1 Defined Terms. Defined terms used but not defined herein shall have the meanings given to such terms in the GGA.

Section 2.2 Term. This Letter Agreement shall remain in effect until the earlier of (i) the date on which each of the amendments in Section 1.1, and Section 1.2 have been executed or (ii) the termination of the GGA in accordance with its terms.

Section 2.3 Governing Law; Jurisdiction.

(a) This Letter Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to choice of law principles.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes among any of the Parties arising out of this Letter Agreement or the transactions contemplated hereby shall be in any state or federal court in the City of Pittsburgh and County of Allegheny, Pennsylvania, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any proceeding arising out of or related to this Letter Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Letter Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

Section 2.4 Limitation of Liability. **NOTWITHSTANDING ANYTHING IN THIS LETTER AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES SUFFERED BY SUCH PARTY RESULTING FROM OR ARISING OUT OF THIS LETTER AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER TORT, NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, WARRANTY, INDEMNITY OR OTHERWISE, INCLUDING LOSS OF USE, INCREASED COST OF OPERATIONS, LOSS OF PROFIT OR REVENUE, OR BUSINESS INTERRUPTIONS.**

Section 2.5 Counterpart Execution. This Letter Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 2.6 Entire Agreement, Amendments and Waiver. This Letter Agreement, including all exhibits hereto, integrates the entire understanding among the Parties with respect to the subject matter covered and supersedes all prior understandings, drafts, discussions, or statements, whether oral or in writing, expressed or implied, dealing with the same subject matter. This Letter Agreement may not be amended or modified in any manner except by a written document signed by the Parties that expressly amends this Letter Agreement. No waiver by a Party of any of the provisions of this Letter Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver.

Section 2.7 Exhibits. All exhibits to this Letter Agreement are incorporated into this Letter Agreement as if set forth in full herein.

Section 2.8 Miscellaneous Provisions

. The provisions of Article 18 of the GGA, other than Sections 18.2, 18.3, 18.7, 18.8, 18.15, 18.16 and 18.17, shall apply to this Letter Agreement *mutatis mutandis*.

IN WITNESS WHEREOF, the Parties have executed this Letter Agreement as of the date first written above.

EQT CORPORATION,
a Pennsylvania corporation

By: _____

Name: Toby Z. Rice

Title: President and Chief Executive Officer

Credit Letter Agreement Signature Page

EQM Midstream Partners, LP
a Delaware limited partnership

By: EQGP Services, LLC, its general partner

By: _____

Name: Kirk R. Oliver

Title: Senior Vice President and Chief

Financial Officer

Credit Letter Agreement Signature Page

EXHIBIT A-1

EQM CONTROLLED AGREEMENTS

Contract Id	Type	Effective Date	System	EQT Entity	Authority for Requesting Further Credit Support
LCW1011 (651)	FTS	01/12/12	Sunrise	EQT Energy LLC (guarantor: EQT Corp)	Credit Agreement 10/1/2011 §3 Tariff §6.27 [3(c)] (as to notice)
LCW1043 (1296)	FTS	10/1/16	OVC	EQT Energy LLC (guarantor: EQT Corp)	Credit Agreement 7/23/14 §3 Tariff §6.27 [3(c)] (as to notice)
CW2247445 (1462)	FTS	11/1/18	Redhook	EQT Energy LLC (guarantor: EQT Corp)	Credit Agreement 10/26/15 §3 Tariff §6.27 [3(c)] (as to notice)
CW2254833 (9707)	GGA	2/1/2018	Hammerhead	EQT Energy, LLC	Article 9
10025	GGA	11/19/2008	Equitrans Gathering	EQT Energy, LLC	Article XV
EQM Gathering OPCO WSA State Gamelands (CW2269115)	WSA	12/10/2018	Southwestern Pennsylvania Water Authority	EQT Production Company	Section 12.5
EQM Gathering WSA Kevech Smith Haywood (LCW9510)	WSA	12/3/2018	Washington and Greene Counties	EQT Production Company	Section 13
EQM Gathering OPCO WSA Steelhead (CW2269117)	WSA	12/3/2018	Southwestern Pennsylvania Water Authority	EQT Production Company	Section 12.5
EQM Gathering OPCO WSA Claysville (CW2262396)	WSA	7/13/2018	Southwestern Pennsylvania Water Authority	EQT Production Company	Section 12.5

EXHIBIT A-2

JV AGREEMENTS

Contract Id	Type	Effective Date	System	EQT Entity	Authority for Requesting Further Credit Support
CW2246988 (9705G)	GGA	2/12/2018	Marianna	EQT Energy LLC & EQT Production Company	Article 9

CW2274905 (9737G)	GGA	2/17/2012	Eureka	EQT Production Company	Section 13.1
SEIF/US Energy GGA (9718R)	GGA	11/25/2015	Whipkey	Rice Drilling B LLC	Section 13.6

EXHIBIT B

GUARANTEES

Guaranty of EQT Corporation for Transmission Services, dated as of July 19, 2019, made by EQT Corporation in favor of Equitrans, L.P., as amended by Guaranty Amendment No. 1, dated January 17, 2020

Guaranty of EQT Corporation for Gathering Services, dated as of July 19, 2019, made by EQT Corporation in favor of EQM Gathering Holdings, LLC and its Subsidiaries (as defined therein) and Equitrans, L.P.

Guaranty of EQT Corporation for Water Services, dated as of July 19, 2019, made by EQT Corporation in favor of EQM Gathering Holdings, LLC and its Subsidiaries (as defined therein)

Guaranty, dated as of June 13, 2017, made by EQT Corporation in favor of Mountain Valley Pipeline, LLC

EXHIBIT C

MVP FORM AMENDMENT

[see attached]

[***]

**EQUITRANS MIDSTREAM CORPORATION
2020 PERFORMANCE SHARE UNIT PROGRAM**

EQUITRANS MIDSTREAM CORPORATION (the “Company”) hereby establishes this EQUITRANS MIDSTREAM CORPORATION 2020 PERFORMANCE SHARE UNIT PROGRAM (the “Program”), in accordance with the terms provided herein.

WHEREAS, the Company maintains certain long-term incentive award plans, including the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan (as amended from time to time, the “2018 Plan”), for the benefit of its directors and employees, of which the Program is a subset; and

WHEREAS, in order to further align the interests of executives and key employees with the interests of the Company’s shareholders, the Company desires to provide long-term incentive benefits through the Program, in the form of awards qualifying as “Performance Awards” under the 2018 Plan.

NOW, THEREFORE, the Company hereby provides for incentive benefits for executives and key employees of the Company and its Affiliates and adopts the terms of the Program on the following terms and conditions:

Section 1. Purpose. The main purpose of the Program is to provide long-term incentive opportunities to executives and key employees to further align their interests with those of the Company’s shareholders and with the strategic objectives of the Company. By placing a portion of the employee’s compensation at risk under the Program, the Company has an opportunity to reward the employee when the Company’s performance meets or exceeds expectations or reduce the compensation opportunity when performance does not meet expectations. As a subset of the 2018 Plan, this Program is subject to and shall be governed by the terms and conditions of the 2018 Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the 2018 Plan.

Section 2. Effective Date. The effective date of this Program is January 1, 2020. The Program will remain in effect until payment following (or, in the case of a Qualifying Change of Control, on) the earlier of (i) December 31, 2022 or (ii) the closing date of a Qualifying Change of Control. All awards under the Program are paid in accordance with Section 6, unless otherwise amended or terminated as provided in Section 20. For purposes of this Program, a “Qualifying Change of Control” means a Change of Control (as then defined in the 2018 Plan) unless (a) all outstanding Performance Share Units, as defined in Section 4, under the Program are assumed by the surviving entity of the Change of Control (or otherwise equitably converted or substituted in connection with the Change of Control in a manner approved by the Committee) or (b) the Company is the surviving entity of the Change of Control.

Section 3. Eligibility. The Committee shall, in its sole discretion, select the employees of the Company and its Affiliates who shall be eligible to participate in the Program from

those individuals eligible to participate in the 2018 Plan (each a “Participant” and collectively the “Participants”). In the event that an employee is hired by the Company or an Affiliate during the Performance Period (as defined in Section 5 below), the Committee shall, in its sole discretion, determine whether the employee will be eligible to participate in the Program.

Section 4. Performance Share Unit Awards. Awards under the Program are designated in the form of performance share units (as adjusted from time to time in accordance with Section 14, the “Performance Share Units”), which are awards to be settled in shares of the Company’s common stock (“Common Stock”) and/or in cash, as set forth in a Participant’s award agreement under the Program. Upon being selected to participate in the Program, each Participant shall be awarded a number of Performance Share Units, which award shall be approved by the Committee.

The Performance Share Units shall be held in bookkeeping accounts on behalf of the Participants and do not represent actual shares of Common Stock. A Participant shall have no right to exchange the Performance Share Units for cash, stock or any other benefit and shall be a mere unsecured creditor of the Company with respect to such Performance Share Units and any future rights to benefits.

Section 5. Relative TSR Performance and Determination of Awarded Value. Subject to Section 7, the amount to be distributed to a Participant will be based on the Company’s total shareholder return (“Total Shareholder Return,” or “TSR”) ranking relative to the TSRs of companies included in a specified peer group (the “Peer Group) designated on Attachment A (“Relative TSR”). Relative TSR is calculated as described in Attachment A for the Performance Period and for each of the Sub Periods (as defined below). For purposes of this Program: (a) the “Performance Period” shall mean the period commencing on January 1, 2020 and continuing thereafter until the earlier of (i) December 31, 2022 or (ii) the closing date of a Qualifying Change of Control, and (b) a “Sub Period” shall mean each full calendar year (or such shorter period if a Qualifying Change of Control occurs during any calendar year) occurring within the Performance Period.

For purposes of this Program, a Participant’s “Earned Performance Share Units” for the Performance Period and each Sub Period shall be calculated by multiplying (a) the product of (i) such Participant’s total Performance Share Units awarded under the Program and (ii) the Program’s weighting for the Performance Period (40%) or the applicable Sub Period (20%), by (b) the payout factor calculated as set forth on Attachment A (the “Payout Factor”) achieved with respect to the Performance Period or such Sub Period, as applicable. A Participant’s “Total Earned Performance Share Units” for purposes of this Program shall be the sum of all Earned Performance Share Units for the Participant for the Performance Period and each Sub Period.

If a Participant’s award agreement under the Program stipulates that the Participant’s award will be distributed in cash, the Participant’s “Awarded Value” shall be calculated by multiplying (a) the Participant’s Total Earned Performance Share Units by (b) the closing price of the Company’s Common Stock at the end of the Performance Period or, in the case of a Qualifying Change of Control, the closing price of the Company’s Common Stock on

the business day immediately preceding the date of the Qualifying Change of Control, in each case as reported in the Nationally Recognized Reporting Service (as defined in Attachment A). If a Participant's award agreement under the Program contemplates that the Participant's award will be distributed in shares of Common Stock, the Participant's "Awarded Value" shall be such Participant's Total Earned Performance Share Units.

If the record date for regular dividends or special dividends with respect to the Company's Common Stock (whether made in cash or stock, unless made in accordance with any shareholder rights plan or similar arrangement) occurs during the Performance Period, then the Participant shall earn a right to receive a cash payment following the Performance Period in respect of such dividends. The amount of such cash payment shall be equal to the product of (a) such Participant's Total Earned Performance Share Units, multiplied by (b) the cumulative amount of all regular and special dividends paid during the Performance Period. This cash payment shall be subject to the same Relative TSR performance conditions, continued service requirements and transfer restrictions as apply to the Performance Share Units with respect to which they relate and shall be paid at the same time as the Performance Share Units with respect to which they relate.

Payments under the Program are expressly contingent upon achievement of the Relative TSR performance conditions and continued service conditions, as applicable.

Section 6. Payment; Overall Limit. Subject to Section 7 and except as provided in this Section 6, each Participant's Awarded Value will be distributed in cash or in shares of Common Stock, as set forth in the Participant's award agreement under the Program, no later than seventy five (75) days following the end of the Performance Period. Subject to Section 7, in the event of a Qualifying Change of Control, the Awarded Value will be distributed in cash or in shares of Common Stock on the closing date of the transaction. Notwithstanding the first two sentences of this Section 6, the Committee may determine, in its discretion and for any reason, that the Awarded Value will be paid, in whole or in part, in cash or Common Stock. The maximum amount payable to any one Participant under the Program with respect to any one calendar year within the Performance Period shall be the amount set forth and as calculated in the 2018 Plan with respect to Performance Awards. No elections shall be permitted with respect to the timing of any payments.

For the avoidance of doubt, subject to Section 5 and Section 7, any Earned Performance Share Units for the 2020 Sub Period and 2021 Sub Period based on the Company's Relative TSR performance during the applicable Sub Period shall remain subject to forfeiture in the event the Participant's employment with the Company and its Affiliates terminates prior to the earlier of (a) the payment date following December 31, 2022 or (b) the closing date of a Qualifying Change of Control.

Section 7. Change of Status. In making decisions regarding employees' participation in the Program and the extent to which awards are payable in the case of an employee whose employment ceases prior to payment, the Committee may consider any factors that it deems to be relevant. Unless otherwise determined by the Committee, and subject to the terms of any written employment-related agreement that a Participant has with the Company (including

any confidentiality, non-solicitation, non-competition, change of control or similar agreement, as required by the Company), the following shall apply in the case of a Participant whose employment ceases prior to payment of the Awarded Value:

- (a) Termination After Change of Control. With respect to any Participant's award under the Program, and notwithstanding Section 9 of the 2018 Plan, in the event that following a Change of Control that is not a Qualifying Change of Control, (i) such Participant's employment is terminated without Cause (as defined below), or (ii) such Participant resigns for Good Reason (as defined below), in each case prior to the second anniversary of the effective date of the Change of Control, the Participant shall (A) retain all of his or her Earned Performance Share Units, contingent upon the Participant executing and not revoking a full release of claims in a form acceptable to the Company within 30 days of his or her termination or resignation, as applicable, and (B) shall be eligible to earn any Performance Share Units not previously forfeited based on the Company's achievement of the Relative TSR performance conditions set forth in Section 5 for the Performance Period and each uncompleted Sub Period (as applicable). A Participant's Total Earned Performance Share Units under this paragraph shall be paid at the conclusion of the Performance Period according to Section 6.

Notwithstanding Section 9.02 of the 2018 Plan, the consummation of the transactions contemplated by (i) the Agreement and Plan of Merger, dated as of February 26, 2020, by and among the Company, EQM LP Corporation, LS Merger Sub, LLC, EQM Midstream Partners, LP (the "Partnership"), and EQGP Services, LLC and (ii) the Preferred Restructuring Agreement, dated as of February 26, 2020, by and among the Company, the Partnership, and the investors set forth on Schedule I thereto, will not constitute a Change of Control.

Solely for purposes of this Program, "Cause" shall mean: (i) a Participant's conviction of a felony, a crime of moral turpitude or fraud or a Participant having committed fraud, misappropriation or embezzlement in connection with the performance of the Participant's duties; (ii) a Participant's willful and repeated failures to substantially perform assigned duties; or (iii) a Participant's violation of any provision of a written employment-related agreement between the Participant and the Company or express significant policies of the Company. If the Company terminates a Participant's employment for Cause, the Company shall give the Participant written notice setting forth the reason for the Participant's termination not later than 30 days after such termination.

Solely for purposes of this Program, "Good Reason" shall mean a Participant's resignation within 90 days after (but in all cases prior to the second anniversary of such Change of Control): (i) a reduction in such Participant's base salary of 10% or more (unless the reduction is applicable to all similarly situated employees); (ii) a reduction in such Participant's annual short-term bonus target by the greater of (A) 10% and (B) 5 percentage points of such Participant's target bonus percentage, unless the reduction is applicable to all similarly situated employees;

(iii) a significant diminution in such Participant's job responsibilities, duties or authority; (iv) a change in the geographic location of such Participant's primary reporting location of more than 50 miles; and/or (v) any other action or inaction that constitutes a material breach by the Company of such Participant's award agreement under the Program.

A termination by a Participant shall not constitute termination for Good Reason unless such Participant first delivers to the General Counsel of the Company written notice: (i) stating that such Participant intends to resign for Good Reason pursuant to his or her award agreement; and (ii) setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than 90 days after the initial occurrence of such event). The Company shall have a reasonable period of time (not less than 30 days) to take action to correct, rescind or substantially reverse the occurrence supporting termination for Good Reason as identified by such Participant. Failure by the Company to act or respond to the written notice shall not be deemed to be an admission that Good Reason exists.

(b) **Qualifying Change of Control.** With respect to any Participant's award under the Program, and notwithstanding Section 9 of the 2018 Plan, in the event of a Qualifying Change of Control, if such Qualifying Change of Control occurs after the completion of one or more Sub Periods, then the Earned Performance Share Units for each completed Sub Period shall be determined in accordance with Section 5 based on actual performance for each such completed Sub Period and shall be paid in accordance with Section 6.

For Performance Share Units that may be earned during a Sub Period in which the Qualifying Change of Control occurs (a "Partial Sub Period"), the Participant will be entitled to earn all or a portion of his or her Performance Share Units applicable to such Partial Sub Period based on the Company's Relative TSR performance as compared to the Peer Group (as designated on Appendix A) over the period commencing on the start of the applicable Partial Sub Period and ending on the last business day of the calendar quarter immediately preceding the closing date of the Qualifying Change of Control. In the event a Qualifying Change of Control occurs during the 2022 Sub Period (as described in Attachment A), Participants may earn all or a portion of the Performance Share Units attributable to the Performance Period based on the Company's Relative TSR performance as compared to the Peer Group over the period commencing on the start of the Performance Period and ending on the last business day of the calendar quarter immediately preceding the closing date of the Qualifying Change of Control. Any Performance Share Units earned pursuant to this paragraph shall be paid in accordance with Section 6.

Performance Share Units that would have been eligible to be earned during any Sub Period that has not commenced prior to the closing date of a Qualifying Change of Control, if any, shall be added to the number of such Participant's Performance

Share Units subject to potential payout for the Performance Period and shall be earned based on the Company's Relative TSR performance as compared to the Peer Group over the period commencing on the start of the Performance Period and ending on the last business day of the calendar quarter immediately preceding the closing date of the Qualifying Change of Control. Any Performance Share Units earned pursuant to this paragraph shall be paid in accordance with Section 6.

- (c) Voluntary Termination With Continued Board Service. If a Participant's employment is terminated voluntarily, including a Participant's Retirement (as defined below), and the Participant remains on the board of directors of the Company or any Affiliate of the Company whose equity is publicly traded on the New York Stock Exchange or the NASDAQ Stock Market following such termination of employment, the Participant shall retain all of his or her Performance Share Units, contingent upon achievement of the Relative TSR performance conditions set forth in Section 5 for the Performance Period and each Sub Period (as applicable), for as long as the Participant remains on such board of directors, in which case any references herein to such Participant's employment shall be deemed to include his or her continued service on such board. Except as set forth in the preceding sentence and subsections (a) and (e) of this Section 7, a Participant's Performance Share Units shall be forfeited upon his or her resignation as an employee of the Company or an Affiliate.
- (d) Death or Disability. Except as provided in subsections (a) and (b) above, if the termination is due to the Participant's death or Disability, the Participant (or the Participant's estate or beneficiary) will retain all of his or her Performance Share Units, contingent upon the Participant (or the Participant's estate or beneficiary) executing and not revoking a full release of claims in a form acceptable to the Company within 30 days of his or her death.

In the event of a Participant's termination due to a Participant's death or Disability, Performance Share Units that are retained shall be distributed to the Participant or the Participant's estate or beneficiary within 75 days following the Participant's termination in cash or shares of Common Stock as set forth in the Participant's award agreement under the Program, in either case, without giving effect to the Payout Factor, subject to the Participant or the Participant's estate or beneficiary executing and not revoking the full release of claims referenced above. Notwithstanding any other provisions of the Program, Participants shall have no vested rights to any Performance Share Units prior to payment.

- (e) Retirement. Except as provided in subsections (a), (b) or (c) above, if the termination is due to the Participant's Retirement, the Participant will retain a portion of his or her Performance Share Units applicable to the Performance Period and each Sub Period as of the date of the Participant's Retirement (the number of Performance Share Units being retained is defined below as the "Pro Rata Amount"), contingent upon (A) the Participant executing and not revoking a full

release of claims in a form acceptable to the Company within 30 days of his or her termination, and (B) achievement of the Relative TSR performance conditions set forth in Section 5 for the Performance Period and each Sub Period (as applicable), as follows, and the remainder shall be forfeited. The Pro Rata Amount for the Performance Period and each Sub Period shall equal the total number of Performance Share Units that are earned for such Performance Period and each Sub Period pursuant to this Program multiplied by a fraction, the numerator of which is the number of months of continuous employment with the Company and/or an Affiliate from the beginning of the Performance Period through the date of the Retirement and the denominator of which is 36. When determining the Pro Rata Amount, the Participant shall be considered to have been employed with the Company and/or an Affiliate for a full calendar month so long as the Participant is employed by such entity for at least one day during such calendar month.

Solely for purposes of this Program, “Retirement” shall mean a Participant’s voluntary termination of employment with the Company and its Affiliates after the Participant has (i) a length of service of at least ten (10) years and (ii) a combined age and length of service equal to at least sixty (60) years. The Participant’s length of service will be determined by the Company, in its sole discretion, based on the Company’s internal payroll records. For purposes of this definition, service with EQT Corporation prior to November 13, 2018 shall be treated the same as service with the Company and its Affiliates. The termination of the Participant’s employment by the Company or its Affiliates shall not qualify as Retirement.

In the event of a Participant’s Retirement, Performance Share Units that are retained shall be distributed to the Participant (or the Participant’s estate or beneficiary) at the time specified in Section 6. Notwithstanding any other provisions of the Program, Participants shall have no vested rights to any Performance Share Units prior to payment.

- (f) Other Termination. If a Participant’s employment is terminated for any reason other than those described in subsections (a) – (e) above, the Participant’s Performance Share Units shall be forfeited. For purposes of clarity, in the event a Participant’s employment is terminated other than for performance reasons, the Committee may determine that all or a portion of the Performance Share Units shall be retained upon such Participant’s termination.

Section 8. Administration of the Plan. The Committee has responsibility for all aspects of the Program’s administration, including:

- Determining the extent to which the Relative TSR performance conditions have been achieved prior to any payments under the Program,
- Ensuring that the Program is administered in accordance with its provisions and the 2018 Plan,

- Approving Program Participants,
- Authorizing Performance Share Unit awards to Participants,
- Adjusting Performance Share Unit awards to account for extraordinary events,
- Serving as the final arbiter of any disagreement between Program Participants, Company management, Program administrators, and any other interested parties to the Program, and
- Maintaining final authority to amend, modify or terminate the Program at any time.

Notwithstanding anything to the contrary in this Program, the Committee shall at all times retain the discretion with respect to all awards under this Program to reduce, eliminate, or determine the source of, any payment or award hereunder without regard to any particular factors specified in this Program. The interpretation and construction by the Committee of any provisions of the Program or of any adjusted Performance Share Units shall be final. No member of the Committee shall be liable for any action or determination made in good faith regarding the Program or any Performance Share Units thereunder. The Committee may designate another party to administer the Program, including Company management or an outside party. All conditions of the Performance Share Units must be approved by the Committee. As early as practicable prior to or during the Performance Period, the Committee shall approve the number of Performance Share Units to be awarded to each Participant. The associated terms and conditions of the Program will be communicated to Participants as close as administratively practicable to the date an award is made. The Participants will acknowledge receipt of the participant agreement and will agree to the terms of this Program in accordance with the Company's procedures.

Section 9. Limitation of Rights. The Performance Share Units do not confer to Participants or their beneficiaries, executors or administrators any rights as shareholders of the Company (including voting and other shareholder rights) unless and until shares of Common Stock are in fact registered to or on behalf of a Participant in connection with the payment of the Performance Share Units. With respect to Awards that are settled in shares of Common Stock, upon conversion of the Performance Share Units into shares of Common Stock, a Participant will obtain full voting and other rights as a shareholder of the Company.

Section 10. Tax Consequences to Participants/Payment of Taxes.

(a) It is intended that: (i) until the Relative TSR performance conditions and any applicable service requirements are satisfied, a Participant's right to payment for an award under this Program shall be considered to be subject to a substantial risk of forfeiture in accordance with those terms as defined or referenced in Sections 83(a), 409A and 3121(v)(2) of the Code; (ii) the Awarded Value shall be subject to employment taxes only upon the satisfaction of the Relative TSR performance conditions and any applicable service requirements; and (iii) until the Awarded Value is actually paid to a Participant, the Participant shall have merely an unfunded, unsecured promise to be paid the benefit, and such unfunded

promise shall not consist of a transfer of “property” within the meaning of Code Section 83. It is further intended that Participants will not be in actual or constructive receipt of compensation with respect to the Performance Share Units within the meaning of Code Section 451 until the Awarded Value is paid.

(b) The Company or any Affiliate employing the Participant has the authority and the right to deduct or withhold, or require a Participant to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including the Participant’s FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of an award under the Program. With respect to withholding required upon any taxable event arising as a result of an award, to the extent the Committee determines that the award will be paid in shares of Common Stock, the employer shall satisfy the tax withholding required by withholding shares of Common Stock having a Fair Market Value as of the date that the amount of tax to be withheld is to be determined equal to the amount of tax required to be withheld. The obligations of the Company under this Program will be conditioned upon such payment or arrangements, and the Company, and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to a Participant.

Section 11. Recoupment Policy. Any shares of Common Stock distributed or amounts paid to a Participant under the Program, and any cash or other benefit acquired upon the sale of shares of Common Stock distributed to a Participant under the Program, shall be subject to the terms and conditions of the Equitrans Midstream Corporation Compensation Recoupment Policy, effective June 17, 2019, as may be amended or restated from time to time, to the extent such policy is applicable to this Program and the Participant. A copy of such policy is available upon request from the Company's Corporate Secretary.

Section 12. Nonassignment. A Participant shall not be permitted to assign, alienate or otherwise transfer his or her Performance Share Units, and any attempt to do so shall be void.

Section 13. Impact on Benefit Plans. Payments under the Program shall not be considered as earnings for purposes of the Company’s or its Affiliates’ qualified retirement plans or any other retirement, compensation or benefit plan or program of the Company or its Affiliates unless specifically provided for and defined under such other plan or program. Nothing herein shall prevent the Company or its Affiliates from maintaining additional compensation plans and arrangements; provided, however, that no payments shall be made under such plans and arrangements if the effect thereof would be the payment of compensation otherwise payable under this Program regardless of whether the Relative TSR performance conditions were attained.

Section 14. Successors; Changes in Stock. The obligations of the Company under the Program shall be binding upon the successors and assigns of the Company. In the event of any spin-off, split-off or split-up, or dividend in partial liquidation, dividend in property other than cash or Common Stock, or extraordinary distribution to holders of Common Stock, each Participant’s Performance Share Units shall be appropriately adjusted to prevent dilution

or enlargement of the rights of Participants that would otherwise result from any such transaction, provided such adjustment shall be consistent with Section 409A of the Code.

In the case of a Change of Control, any obligation under the Program shall be handled in accordance with the terms of Sections 5 and 6 hereof. In any case not constituting a Change of Control in which the Common Stock is changed into or becomes exchangeable for a different number or kind of shares of stock or other securities of the Company or another corporation, or cash or other property, whether through reorganization, reclassification, recapitalization, stock split-up, combination of shares, merger or consolidation, then (i) the Awarded Value shall be calculated based on the closing price of such common stock on the closing date of the transaction on the principal market on which such common stock is traded, and (ii) there shall be substituted for each Performance Share Unit constituting an award the number and kind of shares of stock or other securities (or cash or other property) into which each outstanding share of Common Stock shall be so changed or for which each such share shall be exchangeable. In the case of any such adjustment, the Performance Share Units shall remain subject to the terms of the Program and the 2018 Plan.

Section 15. Notice. Except as may be otherwise provided by the 2018 Plan or determined by the Committee and communicated to a Participant, notices and communications hereunder must be in writing and shall be deemed sufficiently given if either hand-delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received five (5) business days after mailed, but in no event later than the date of actual receipt. Notices shall be directed, if to a Participant, at such Participant's address indicated by the Company's records or, if to the Company, at the Company's principal executive office, Attention: Manager, Compensation and Benefits.

Section 16. Dispute Resolution. Any dispute regarding the payment of benefits under this the Program or the 2018 Plan shall be resolved in accordance with any dispute resolution procedures of the Company, to the extent such procedures are applicable to the Plan and this award. A copy of such procedures will be available upon request or made available on the Fidelity NetBenefits website, which can be found at www.netbenefits.fidelity.com.

Section 17. Applicable Law. This Program shall be governed by and construed under the laws of the Commonwealth of Pennsylvania without regard to its conflict of law provisions.

Section 18. Severability. In the event that any one or more of the provisions of this Program shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 19. Headings. The descriptive headings of the Sections of this Program are inserted for convenience of reference only and shall not constitute a part of this Program.

Section 20. Amendment or Termination of this Program. This Program may be amended, suspended or terminated by the Company at any time upon approval by the Committee and following a determination that the Program is no longer meaningful in relation to the Company's strategy. Notwithstanding the foregoing, (i) no amendment, suspension or

termination shall adversely affect a Participant’s rights to his or her award after the date of the award; provided, however, that the Company may amend this Program from time to time without any Participant’s consent to the extent deemed to be necessary or appropriate, in its sole discretion, to effect compliance with Code Section 409A or any other provision of the Code, including regulations and interpretations thereunder, which amendments may result in a reduction of benefits provided hereunder and/or other unfavorable changes to Participants, (ii) no amendment may alter the time of payment as provided in Section 6 of the Program, and (iii) no amendment may be made following a Change of Control.

Attachment A

2020 Performance Share Unit Program

Calculation of Relative Total Shareholder Return & Payout Factors

For purposes of the Program, “Total Shareholder Return” or “TSR” shall mean the total shareholder return as determined by dividing (i) the sum of (A) the Ending Period Average Price minus the Beginning Period Average Price plus (B) all dividends and other distributions paid on the issuer’s shares during the Performance Period or Sub Period (as applicable), assuming such dividends and other distributions are invested in shares on the ex-dividend date for such dividend or other distribution, by (ii) the Beginning Period Average Price. The Committee shall have the authority to make appropriate equitable adjustments to account for extraordinary items affecting the TSR.

For purposes of calculating TSR for the Performance Period or any Sub Period, “Beginning Period Average Price” shall mean the average official closing price per share of the issuer over the 15 consecutive trading days ending with and including December 31st (if the applicable day is not a trading day, the immediately preceding trading day) immediately preceding the beginning date of the Performance Period or Sub Period (as applicable).

For purposes of calculating TSR for the Performance Period or any Sub Period, “Ending Period Average Price” shall mean the average official closing price per share of the issuer over the 15 consecutive trading days ending with and including December 31st (if the applicable day is not a trading day, the immediately preceding trading day) immediately preceding the ending date of the Performance Period or Sub Period (as applicable).

All references in this Program to the “Nationally Recognized Reporting Service” shall be references to either the print or electronic version of a nationally recognized publication that reports the daily closing stock price of the Company and each member of the Peer Group described below.

For purposes of determining Relative TSR performance for the Performance Period or any Sub Period, each company, including the Company, will be ranked in descending order by the TSR so calculated. In the event any member of the Peer Group identified below liquidates or reorganizes under the United States Bankruptcy Code (U.S.C. Title 11) before the end of the Performance Period or any Sub Period (as applicable), such member shall remain in the Peer Group for purposes of calculating the Payout Factor for the Performance Period or Sub Period (as applicable). In the event of any acquisition, merger, consolidation, other reorganization, asset sale, go private transaction or material change in ownership, legal structure, or business operations (including, for the avoidance of doubt, any rollup or other simplification transaction involving related parties) of any member of the Peer Group before the end of the Performance Period or any Sub Period (as applicable), the Committee shall have discretionary authority to retain, remove, or replace such member for purposes of calculating the applicable Payout Factor.

The Payout Factor for the Performance Period and for each Sub Period will be determined based on the level of achievement of the Relative TSR Ranking during the Performance Period or Sub Period (as applicable); provided that the Payout Factor applicable to the Performance Period and each individual Sub Period shall in no event exceed 100% for such period if the Company’s TSR for such Performance Period or Sub Period, as applicable, is less than 0%.

Relative TSR Ranking

	Threshold	Target	Maximum
Performance Goal	At 25 th percentile	50 th percentile	At or above 75 th percentile
Payout Factor	50%	100%	200%

NOTE: Above Threshold all Payout Factors are interpolated on a straight-line basis between the data points above, with 200% being the maximum in all cases. Below threshold, the Payout Factor shall be zero.

For purposes of the Program, the Peer Group shall consist of the following companies:

Antero Midstream Corporation
Cheniere Energy Inc.
Crestwood Equity Partners LP
DCP Midstream LP
Enable Midstream Partners LP
EnLink Midstream LLC
Kinder Morgan Inc.
Magellan Midstream Partners LP
ONEOK Inc.
Targa Resources Corp
The Williams Companies Inc.
Western Midstream Partners LP

PARTICIPANT AWARD AGREEMENT
(2020 PSU Program – Share Settled)

[•], 2020

Dear [Name]:

Pursuant to the terms and conditions of the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan (as amended from time to time, the “Plan”) and the 2020 Performance Share Unit Program (the “Program”), effective January 1, 2020, the Management Development and Compensation Committee (the “Committee”) of the Board of Directors of Equitrans Midstream Corporation (the “Company”) grants you **«NumberUnits» Target Performance Share Units** (the “Award”), the value of which is determined by reference to the Company’s common stock. The terms and conditions of the Award, including, without limitation, vesting and distribution, shall be governed by the provisions of this Participant Award Agreement and the Program document attached hereto as Exhibit A; provided that the Award is also subject to the terms and limits included within the Plan. As approved, the Award will be settled in shares of Company common stock; however, the Committee retains the discretion to settle the Award in cash, Company common stock or any combination thereof.

The terms contained in the Plan and the Program are hereby incorporated into and made a part of this Participant Award Agreement, and this Participant Award Agreement shall be governed by and construed in accordance with the Program and the Plan. In the event of any actual or alleged conflict between (a) the provisions of the Plan and the provisions of this Participant Award Agreement, the provisions of the Plan shall be controlling and determinative, and (b) the provisions of this Participant Award Agreement and the terms of any written employment-related agreement that you have with the Company (including any confidentiality, non-solicitation, non-competition, change of control or similar agreement, as required by the Company), the terms of such employment-related agreement shall be controlling and determinative.

You may access important information about the Company and the Plan through the Company’s website. Copies of the Plan and Plan Prospectus can be found by logging into the Fidelity NetBenefits website, which can be found at www.netbenefits.fidelity.com, and clicking on the “Stock Plans” tab and then following the prompts for your Plan documents. Copies of information generally delivered to the Company’s shareholders can be found at www.equitransmidstream.com by clicking on the “Investors” link on the main page and then “Financial Filings” and “SEC Filings.” Paper copies of such documents are available upon request made to the Company’s Corporate Secretary.

Your Award under the Program will be effective only if, no later than 45 days after the date of this Participant Award Agreement, (a) you accept your Award through the Fidelity NetBenefits website and (b) to the extent you are not already subject to an agreement with the Company containing covenants regarding confidentiality, non-solicitation, and if required by the Company, non-competition, you execute an agreement containing the applicable covenants that is acceptable to the Company.

When you accept your Award through the Fidelity NetBenefits website, you shall be deemed to have (a) acknowledged receipt of this Award granted on the date of this Participant Award Agreement (the terms of which are subject to the terms and conditions of this Participant Award Agreement, the Program document and the Plan) and copies of this Participant Award Agreement, the Program document and the Plan, and (b) agreed to be bound by all the provisions of this Participant Award Agreement, the Program document and the Plan.

EQUITRANS MIDSTREAM CORPORATION
2020 RESTRICTED STOCK AWARD AGREEMENT

Non-transferable

G R A N T T O

 (“Grantee”)

DATE OF GRANT: [•], 2020
 (“Grant Date”)

by Equitrans Midstream Corporation (the “Company”) of [] restricted shares of the Company’s common stock (the “Common Stock”), pursuant to and subject to the provisions of the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan (as amended from time to time, the “Plan”), and the terms and conditions set forth in this award agreement (this “Agreement”).

The grant of restricted stock under this Agreement shall not be effective unless, no later than 45 days after the Grant Date, (i) Grantee accepts the restricted shares through the Fidelity NetBenefits website, which can be found at www.netbenefits.fidelity.com, and (ii) to the extent Grantee is not already subject to an agreement with the Company containing covenants regarding confidentiality, non-solicitation, and if required by the Company, non-competition, Grantee executes an agreement containing the applicable covenants that is acceptable to the Company.

When Grantee accepts the restricted shares awarded under this Agreement through the Fidelity NetBenefits website, Grantee shall be deemed to have (i) acknowledged receipt of the restricted shares granted on the Grant Date (the terms of which are subject to the terms and conditions of this Agreement and the Plan) and copies of this Agreement and the Plan, and (ii) agreed to be bound by all the provisions of this Agreement and the Plan.

TERMS AND CONDITIONS

1. **Defined Terms.** Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan. In addition, and notwithstanding any contrary definition in the Plan, for purposes of this Agreement:

- (a) “Cause” means: (i) Grantee’s conviction of a felony, a crime of moral turpitude or fraud or Grantee’s having committed fraud, misappropriation or embezzlement in connection with the performance of Grantee’s duties; (ii) Grantee’s willful and repeated failures to substantially perform assigned duties; or (iii) Grantee’s violation of any provision of a written employment-related agreement between Grantee and the Company or express significant policies of the Company. If the Company terminates Grantee’s employment for Cause, the Company shall give Grantee written notice setting forth the reason for Grantee’s termination not later than 30 days after such termination.
- (b) “Good Reason” means Grantee’s resignation within 90 days after: (i) a reduction in Grantee’s base salary of 10% or more (unless the reduction is applicable to all similarly situated employees); (ii) a reduction in such Grantee’s annual short-term bonus target by the greater of (A) 10% and (B) 5
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percentage points of such Grantee's target bonus percentage, unless the reduction is applicable to all similarly situated employees; (iii) a significant diminution in Grantee's job responsibilities, duties or authority; (iv) a change in the geographic location of Grantee's primary reporting location of more than 50 miles; and/or (v) any other action or inaction that constitutes a material breach by the Company of this Agreement.

A termination by Grantee shall not constitute termination for Good Reason unless Grantee first delivers to the General Counsel of the Company written notice: (i) stating that Grantee intends to resign for Good Reason pursuant to this Agreement; and (ii) setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than 90 days after the initial occurrence of such event). The Company shall have a reasonable period of time (not less than 30 days) to take action to correct, rescind or substantially reverse the occurrence supporting termination for Good Reason as identified by Grantee. Failure by the Company to act or respond to the written notice shall not be deemed to be an admission that Good Reason exists.

- (c) "Pro Rata Amount" is defined in Section 4 of this Agreement.
- (d) "Qualifying Change of Control" means a Change of Control (as then defined in the Plan) unless (i) Grantee's Restricted Shares are assumed by the surviving entity of the Change of Control (or otherwise equitably converted or substituted in connection with the Change of Control in a manner approved by the Committee) or (ii) the Company is the surviving entity of the Change of Control.

Notwithstanding Section 9.02 of the Plan, the consummation of the transactions contemplated by (i) the Agreement and Plan of Merger, dated as of February 26, 2020, by and among the Company, EQM LP Corporation, LS Merger Sub, LLC, EQM Midstream Partners, LP (the "Partnership"), and EQGP Services, LLC and (ii) the Preferred Restructuring Agreement, dated as of February 26, 2020, by and among the Company, the Partnership, and the investors set forth on Schedule I thereto, will not constitute a Change of Control.

- (e) "Retirement" means Grantee's voluntary termination of employment with the Company and its Affiliates after Grantee has (i) a length of service of at least ten (10) years and (ii) a combined age and length of service equal to at least sixty (60) years. Grantee's length of service will be determined by the Company, in its sole discretion, based on the Company's internal payroll records. For purposes of this Section 1(e), service with EQT Corporation prior to November 13, 2018 shall be treated the same as service with the Company and its Affiliates. The termination of Grantee's employment by the Company shall not qualify as Retirement.
- (f) "Restricted Period" means the period prior to the Vesting Date when the Restricted Shares are subject to the restrictions imposed under Section 2.
- (g) "Restricted Shares" means the number of restricted shares awarded to Grantee on the Grant Date as designated in the first paragraph of this Agreement.
- (h) "Vesting Commencement Date" means January 1, 2020.
- (i) "Vesting Date" is defined in Section 3 of this Agreement.

2. Restrictions. Restricted Shares may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered. The restrictions imposed under this Section 2 shall apply to all shares of the Company's Common Stock or other securities issued with respect to Restricted Shares hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the Common Stock of the Company.

3. Vesting of Restricted Shares. Except as may be otherwise provided below, including in Section 4, or under any written employment-related agreement with Grantee (including any confidentiality, non-solicitation, non-competition, change of control or similar agreement, as required by the Company), if any, 100% of the Restricted Shares will vest and become non-forfeitable (and the restrictions imposed on the Restricted Shares under Section 2 will expire) on the third anniversary of the Vesting Commencement Date, provided Grantee has continued in the employment of the Company and/or its Affiliates through such date. Any date on which the Restricted Shares vest shall be considered a "Vesting Date."

Notwithstanding anything to the contrary in this Agreement, if Grantee's employment is terminated and such termination is voluntary, including a Retirement, and Grantee remains on the board of directors of the Company or any Affiliate of the Company whose equity is publicly traded on the New York Stock Exchange or the NASDAQ Stock Market following such termination of employment, Grantee shall be treated as employed for purposes of this Agreement as long as Grantee remains on such board of directors, in which case any references herein to Grantee's employment shall be deemed to include his or her continued service on such board.

4. Acceleration / Forfeiture in the Event of a Change in Status.

- (a) Notwithstanding Section 9 of the Plan, in the event that following a Change of Control that is not a Qualifying Change of Control, (i) Grantee's employment is terminated without Cause or (ii) Grantee resigns for Good Reason, in each case prior to the second anniversary of the effective date of the Change of Control, the Restricted Shares will vest, each provided Grantee has continued in the employment of the Company and/or its Affiliates through such date.

As a condition to the vesting of any Restricted Shares pursuant to Section 4(a) above, Grantee will be required to execute and not revoke a full release of claims in a form acceptable to the Company within 30 days of the termination or resignation, as applicable. Failure to satisfy this condition will result in forfeiture of such Restricted Shares.

- (b) Except as provided in Section 4(a) above, if Grantee's termination is due to Grantee's death or Disability, 100% of the Restricted Shares will vest, provided Grantee has continued in the employment of the Company and/or its Affiliates through such date.

As a condition to the vesting of any Restricted Shares pursuant to Section 4(b) above, Grantee (or Grantee's estate or beneficiary) will be required to execute and not revoke a full release of claims in a form acceptable to the Company within 30 days of the termination. Failure to satisfy this condition will result in forfeiture of such Restricted Shares.

- (c) Except as provided in Section 4(a) above, if Grantee's termination is due to Grantee's Retirement, a pro rata portion of the Restricted Shares will vest (the number of Restricted Shares then vesting is defined as the "Pro Rata Amount"), provided Grantee has continued in the employment of the Company and/or its Affiliates through such date. The Pro Rata Amount shall equal the total number of Restricted Shares granted pursuant to this Agreement multiplied by a fraction, the numerator of which is the number of months of continuous employment with the Company and/or an Affiliate from the Vesting Commencement Date through the date of Grantee's Retirement and the denominator of which is 36. When determining the Pro Rata Amount, Grantee shall be considered to have been employed with the Company and/or an Affiliate for a full calendar month so long as Grantee is employed by such entity for at least one day during such calendar month.

As a condition to the vesting of any Restricted Shares pursuant to Section 4(c) above, Grantee will be required to execute and not revoke a full release of claims in a form acceptable to the Company within 30 days of the termination. Failure to satisfy this condition will result in forfeiture of such Restricted Shares.

(d) Except as may be otherwise provided under any written employment-related agreement with Grantee, if any, in the event Grantee's employment terminates for any other reason at any time prior to the applicable Vesting Date, all of Grantee's Restricted Shares will immediately be forfeited without further consideration or any act or action by Grantee. For purposes of clarity, in the event Grantee's employment is terminated other than for performance reasons, the Committee may determine that all or a portion of the Restricted Shares shall vest upon Grantee's termination.

5. Delivery of Shares. The Restricted Shares will be registered in the name of Grantee as of the Grant Date and may be held by the Company during the Restricted Period in certificated or uncertificated form. If a certificate for Restricted Shares is issued during the Restricted Period, such certificate shall be registered in the name of Grantee and shall bear a legend in substantially the following form (in addition to any legend required under applicable state securities laws): "This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Award Agreement between the registered owner of the shares represented hereby and Equitrans Midstream Corporation. Release from such terms and conditions shall be made only in accordance with the provisions of such Award Agreement, copies of which are on file in the offices of Equitrans Midstream Corporation." To the extent the Company's shares are certificated, stock certificates for the shares, without the first above legend, shall be delivered to Grantee or Grantee's designee upon request of Grantee after the expiration of the Restricted Period, but delivery may be postponed for such period as may be required for the Company with reasonable diligence to comply, if deemed advisable by the Company, with registration requirements under the Securities Act of 1933, listing requirements under the rules of any stock exchange, and requirements under any other law or regulation applicable to the issuance or transfer of the Restricted Shares.

6. Dividends. If the record date for regular dividends or special dividends with respect to the Company's Common Stock (whether made in cash or stock, unless made in accordance with any shareholder rights plan or similar arrangement) occurs during the period commencing on the Vesting Commencement Date through and including the Vesting Date, the cumulative amount of all regular and special dividends paid during such period on the Grantee's Restricted Shares shall be held and the Grantee shall accrue a right to receive a cash payment in respect of such dividends. Any cash payment owed to Grantee pursuant to this Section 6 shall be subject to the same time-vesting conditions and transfer restrictions as apply to the Restricted Shares with respect to which it relates.

7. Voting Rights. Grantee shall be entitled to vote the Restricted Shares.

8. Payment of Taxes. The Company or any Affiliate employing Grantee has the authority and the right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of this award. With respect to withholding required upon any taxable event arising as a result of this award, the employer shall satisfy the tax withholding required by withholding shares of Common Stock having a Fair Market Value as of the date that the amount of tax to be withheld is to be determined equal to the amount of tax required to be withheld. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

9. Plan Controls. This Agreement and Grantee's rights hereunder are subject to all the terms and conditions of the Plan and such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to interpret and administer the Plan and

this Agreement, and to make all decisions and determinations as it may deem to be necessary or advisable for the administration thereof, all of which shall be final and binding upon Grantee and the Company. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of the Plan shall be controlling and determinative. Any conflict between this Agreement and the terms of a written employment-related agreement with Grantee effective on or prior to the Grant Date shall be decided in favor of the provisions of such employment-related agreement.

10. Recoupment Policy. The award of Restricted Shares and any amounts paid to Grantee hereunder, and any cash or other benefit acquired on the sale of shares of Common Stock distributed hereunder, shall be subject to the terms and conditions of the Equitrans Midstream Corporation Compensation Recoupment Policy, effective June 17, 2019, as may be amended or restated from time to time, to the extent such policy is applicable to Grantee and the Restricted Shares. A copy of such policy is available upon request from the Company's Corporate Secretary.

11. Relationship to Other Benefits. The Restricted Shares shall not affect the calculation of benefits under the Company's or its Affiliates' qualified retirement plans or any other retirement, compensation or benefit plan or program of the Company or its Affiliates, except to the extent specifically provided in such other plan or program. Nothing herein shall prevent the Company or its Affiliates from maintaining additional compensation plans and arrangements.

12. Amendment. Subject to the terms of the Plan, this Agreement may be modified or amended by the Committee; provided that no such amendment shall materially and adversely affect the rights of Grantee hereunder without the consent of Grantee. Notwithstanding the foregoing, Grantee hereby expressly agrees to any amendment to the Plan and this Agreement to the extent necessary to comply with applicable law or changes to applicable law (including, but not limited to, Code Section 409A) and related regulations or other guidance and federal securities laws.

13. Successor. All obligations of the Company under the Plan and this Agreement, with respect to the Restricted Shares, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

14. Applicable Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Pennsylvania without regard to its conflict of law provisions.

15. Notice. Except as may be otherwise provided by the Plan or determined by the Committee and communicated to Grantee, notices and communications hereunder must be in writing and shall be deemed sufficiently given if either hand-delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received five business days after mailed, but in no event later than the date of actual receipt. Notices shall be directed, if to Grantee, at Grantee's address indicated by the Company's records or, if to the Company, at the Company's principal executive office, Attention: Manager, Compensation and Benefits.

16. Dispute Resolution. Any dispute regarding the payment of benefits under this Agreement or the Plan shall be resolved in accordance with any dispute resolution procedures of the Company, to the extent such procedures are applicable to the Plan and this award. A copy of any such procedures will be available upon request or made available on the Fidelity NetBenefits website, which can be found at www.netbenefits.fidelity.com.

17. Tax Consequences to Grantee. It is intended that: (i) until the applicable Vesting Date occurs, Grantee's right to payment for an award under this Agreement shall be considered to be subject to a substantial risk of forfeiture in accordance with those terms as defined or referenced in Sections 83(a), 409A and 3121(v)(2) of the Code; and (ii) until the award vests on the applicable Vesting Date, Grantee shall have merely an unfunded, unsecured promise to receive such award.

18. Plan and Company Information. Grantee may access important information about the Company and the Plan through the Company's website. Copies of the Plan and Plan Prospectus can be found by logging into the Fidelity NetBenefits website, which can be found at www.netbenefits.fidelity.com, and clicking on the "Stock Plans" tab and then following the prompts to the Plan documents. Copies of the Company's most recent Annual Report on Form 10-K, Proxy Statement and other information generally delivered to the Company's shareholders can be found at www.equitransmidstream.com by clicking on the "Investors" link on the main page and then "Financial Filings" and "SEC Filings." Paper copies of such documents are available upon request made to the Company's Corporate Secretary.

AMENDED AND RESTATED
EQUITRANS MIDSTREAM CORPORATION
SHORT-TERM INCENTIVE PLAN

Section 1. Incentive Plan Purposes. The main purposes of the Amended and Restated Equitrans Midstream Corporation (the “Company”) Short-Term Incentive Plan (the “Plan”) are to maintain a competitive level of total cash compensation by providing the Company’s employees with an opportunity to earn incentives based upon the achievement of performance goals over a specified performance period and to align the interests of the Company’s employees with those of the Company’s shareholders and customers and with the strategic objectives of the Company.

Section 2. Effective Date; Performance Periods. The Plan was originally effective January 1, 2019 and has subsequently been amended and restated effective January 1, 2020. The Plan will remain in effect until formally amended or terminated in writing by the Company’s Board of Directors (“Board”) or the Management Development and Compensation Committee of the Board (“Committee”) and as provided in Section 14 or the occurrence of a Change of Control as provided in Section 11. Unless otherwise determined by the Committee and subject to Section 11, each performance period under the Plan (each, a “Performance Period”) shall begin on January 1 and end on December 31 of each calendar year.

Section 3. Eligibility. All employees of the Company shall be eligible to participate in the Plan (each, a “Participant”). Notwithstanding the foregoing, the Committee may exclude specific employees from participation in the Plan in its complete and sole discretion.

Section 4. Administration of the Plan. The Plan shall be administered by the Committee or its delegate. On an annual or periodic basis, as determined by the Committee, for each Performance Period, (i) the Committee shall determine the Performance Metrics, as defined in Section 5, and (ii) (A) the Committee shall set target incentive percentages (the “Target Incentive Percentages”) for the Chief Executive Officer of the Company (“CEO”), all direct reports to the CEO, and all executive officers of the Company (collectively, the “Designated Participants”), and (B) the CEO shall determine the Target Incentive Percentages for all other Participants. The Committee shall review the aggregate payout amounts attributable to the Target Incentive Percentages for all Participants for each Performance Period.

Prior to payment of any Award Bonus (as defined in Section 6(b)) for any Performance Period, the Committee shall certify in writing the Performance Metrics achieved and related payout factor earned for such Performance Period, which writing may include meeting minutes of the Committee.

Section 5. Program Metrics.

- (a) Each Performance Period shall have specific metrics (the “Performance Metrics”). These Performance Metrics will support the business of the Company, or an affiliate of the Company, as applicable, and be based upon the specific performance measures established for the Performance Period.
- (b) The Performance Metrics for each Performance Period shall be determined in writing by the Committee; provided that in no event will Performance Metrics be established when the outcome of such Performance Metrics is no longer substantially uncertain.
- (c) The Performance Metrics determined by the Committee will be objectively determinable goals based upon one or more performance measures determined at the discretion of the Committee, including, by way of example but without limitation, the following:
- earnings per share or unit
 - revenue
 - expenses
 - return on equity
 - return on total or invested capital
 - return on assets
 - earnings (such as net income, EBIT and similar measures)
 - cash flow and per share cash flow (such as EBITDA, after-tax cash flow, distributable cash flow, free cash flow, retained cash flow and similar measures)
 - share or unit price
 - debt reduction or leverage
 - gross margin
 - operating income
 - volumes metrics (such as volumes transported or processed and similar measures)
 - operating efficiency metrics (such as general and administrative (G&A) metrics, unit gathering, compression and water services expenses and other midstream efficiency measures, lost and unaccounted for gas metrics, compressor or processing downtime and similar measures)
 - construction efficiency metrics (such as timely completion, cost within budget and similar measures)
 - customer service measures (such as wait time, on-time service, calls answered and similar measures)
 - closing of a transaction
 - safety and environmental performance
 - total shareholder or unitholder return

- (d) The Performance Metrics may be based either on the performance of the Company, or an affiliate, branch, department or other portion thereof, for the applicable Performance Period and/or upon a comparison of such performance with the performance of a peer group of corporations and partnerships, prior Company performance or other comparative measure selected by the Committee before, at, or, subject to subsection (b) above, after the time of determining each Target Bonus (as defined in Section 6(a)) for the applicable Performance Period. Performance Metrics may be specified in absolute terms, on an adjusted basis, in percentages, or in terms of growth or reduction from period to period or growth or reduction rates over time, as well as measured relative to the performance of a group of comparator companies, or a published or special index, or a stock market index, that the Committee deems appropriate. Performance Metrics need not be based upon an increase or positive result under a business criterion and could include, for example, the maintenance of the status quo, the reduction of expenses or the limitation of economic losses (measured, in each case, by reference to a specific business criterion). Performance Metrics may, but need not, be determinable in conformance with generally accepted accounting principles.
- (e) When the Performance Metrics are determined by the Committee, the weighting assigned to, and the levels of achievement (e.g., Threshold, Target, Maximum) for, if any, each Performance Metric shall be specified. In addition, the Committee may specify that any determination of achievement of the Performance Metrics shall exclude or otherwise objectively adjust for any specified circumstance or event that occurs during the Performance Period, including, by way of example but without limitation, the following: (i) non-recurring, non-operational gains, losses and impairments (other than amounts attributable to the write-down, abandonment or disposition of assets never placed in service); (ii) the effect of changes in tax laws, accounting principles or other laws or provisions; and (iii) acquisitions or divestitures.

Section 6. Target and Award Bonuses.

- (a) Subject to Section 10(a), a Participant's target bonus is calculated by multiplying the Participant's Target Incentive Percentage by (i) for exempt Participants, such Participant's annualized base salary as of the first day of the applicable Performance Period, and (ii) for non-exempt Participants, such Participant's total actual earnings during the applicable Performance Period (in each case, as applicable, "Target Bonus").
- (b) A Participant's award bonus ("Award Bonus") is determined following the end of the applicable Performance Period. Award Bonuses for each Performance Period are calculated by multiplying (i) the Participant's Target

Bonus by (ii) the payout factor attributable to the actual level of achievement for each Performance Metric.

- (c) The Committee shall have no discretion to increase any Award Bonus that would otherwise be payable based upon attainment of the Performance Metrics, but the Committee may in its discretion reduce or eliminate such Award Bonus (including in the event of the fatality of, or a serious injury to, a Company employee or contractor); provided, however, that the exercise of such negative discretion shall not be permitted to result in any increase in the amount of any Award Bonus payable to any other Participant. Notwithstanding the foregoing, the Committee shall have the discretion to designate an aggregate payment amount (a “Discretionary Pool”) that may be paid to any or all of the Participants in such amounts and to such Participants as determined by the CEO in his or her sole discretion; provided that, the Committee must approve any payment from the Discretionary Pool that is to be paid to a Designated Participant. In the event any payments are made from a Discretionary Pool, the timing of such payments shall be in accordance with the provisions of Section 6(e) or, if applicable, Section 9(d). For purposes of clarity, any payment to a Participant from the Discretionary Pool shall be in excess of the payment amount such Participant is entitled to based upon attainment of the Performance Goals under his or her award.
- (d) The maximum aggregate Award Bonus payable to any Participant for any calendar year is \$5,000,000.
- (e) Except as provided in Section 7 of the Plan, Award Bonuses shall be paid in cash no later than 2½ months after the end of a Performance Period in which the right to payment is no longer subject to a substantial risk of forfeiture; provided, further, that the Committee has determined and certified in writing the extent to which the Performance Metrics have been attained and the Award Bonuses have been earned.

Section 7. Form of Payment. The Committee may, in its discretion, determine to satisfy, in whole or in part, an obligation for any Award Bonus by issuing, in substitution for a cash payment, in whole or in part, shares of Company common stock having a fair market value (measured as of the date of the Committee’s determination of the payment amount) equal to the cash payment, under and pursuant to the terms of the Company’s 2018 Long-Term Incentive Plan, or any successor or substitute plan.

Section 8. Impact on Benefit Plans. Payments under the Plan shall not be considered as earnings for purposes of the Company’s qualified retirement plans or any such retirement or benefit plan unless specifically provided for and defined under such plans or as otherwise determined by the Committee.

Section 9. Tax Consequences.

- (a) It is intended that nothing in this Plan shall cause the Participants in the Plan to be taxed currently under the Constructive Receipt or Economic Benefit Doctrines and as expressed in Sections 451 and 83 of the Internal Revenue Code of 1986, as amended (the “Code”). The terms, requirements and limitations of this Plan shall be interpreted and applied in a manner consistent with such intent.
- (b) It is intended that the Award Bonuses payable under the Plan shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan shall be construed in a manner that effects such intent. Nevertheless, the tax treatment of the benefits provided under the Plan or any Award Bonus is not warranted or guaranteed. None of the Company, its affiliates and their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant or other taxpayer as a result of the Plan or any Award Bonus.
- (c) Notwithstanding anything in the Plan to the contrary, to the extent that any Award Bonus would constitute non-exempt “deferred compensation” for purposes of Section 409A of the Code and would be payable or distributable under the Plan by reason of the occurrence of a Change of Control, or the Participant’s disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the circumstances giving rise to such Change of Control, disability or separation from service meet any description or definition of “change in control event”, “disability” or “separation from service”, as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the vesting of any Award Bonus upon a change of control, disability or separation from service, however defined. If this provision prevents the payment or distribution of any Award Bonus, such payment shall be made on the date that would have applied absent such designated event or circumstance.
- (d) Notwithstanding anything in the Plan to the contrary, to the extent that any Award Bonus would constitute non-exempt “deferred compensation” for purposes of Section 409A of the Code and would otherwise be payable under this Plan by reason of a Participant’s separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes): (i) the amount of such non-exempt deferred compensation that would otherwise be

payable during the six-month period immediately following the Participant's separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Participant's separation from service (or, if the Participant dies during such period, within 30 days after the Participant's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period. For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder, *provided, however*, that, as permitted in such final regulations, the Company's Specified Employees and its application of the six-month delay rule of Code Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board or any committee of the Board, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Plan.

Section 10. Change of Status. In making decisions regarding employees' participation in the Plan, the Committee may consider any factors that they may consider relevant. The following guidelines are provided as general guidelines regarding employee status changes:

- (a) New Hire, Transfer, Promotion. New employees hired on or prior to September 30 during any Performance Period are eligible to participate in the Plan and earn a pro rata Award Bonus for such Performance Period. Target Incentive Percentages for newly hired Designated Participants are determined by the Committee. Target Incentive Percentages for all other newly hired Participants are determined by the CEO. Target Incentive Percentages for employees who are promoted or transferred during a Performance Period may be adjusted on a pro rata basis to reflect the percentage that would be associated with the new position. Target Incentive Percentages for employees who experience a change in employment status during a Performance Period (e.g., due to a leave of absence, a change to part-time status, or other similar circumstances) may be adjusted on a pro-rata basis to reflect such change in employment status.
- (b) Termination. No amount shall be paid to an employee who resigns for any reason before such employee's Award Bonus is paid; provided, however, a pro rata Award Bonus may be paid based on actual performance as of the end of the Performance Period in the event of the employee's termination of employment as a result of his or her death, disability, or retirement; provided the employee otherwise qualifies for payment of an Award Bonus. In the event that an Award Bonus is paid on behalf of an employee who has terminated employment by reason of death, any such payments or other amounts due shall be paid to the employee's estate in accordance with the provisions of Section 6(e) or, if applicable, Section 9(d), but subject to the

Committee's overall discretion as provided in Section 6(c). In the event an Award Bonus is paid on behalf of an employee who has terminated by reason of disability or retirement, any amount earned shall be paid to Participants on such pro-rata basis in accordance with the provisions of Section 6(e) or, if applicable, Section 9(d), but subject to the Committee's overall discretion as provided in Section 6(c).

For purposes of this Section 10(b), "retirement" means a Participant's voluntary termination of employment with the Company and its subsidiaries after he or she has (i) a length of service of at least ten (10) years and (ii) a combined age and length of service equal to at least sixty (60) years. A Participant's length of service will be determined by the Company, in its sole discretion, based on the Company's internal payroll records." For purposes of this Section 10(b), service with EQT Corporation prior to November 13, 2018 shall be treated the same as service with the Company and its subsidiaries. The termination of a Participant's employment by the Company shall not qualify as retirement.

For purposes of this Section 10(b), "disability" shall have the same meaning as under the Company's 2018 Long-Term Incentive Plan, or its successor plan.

Nothing in the Plan shall confer any right on any employee to continue in the employ of the Company or its affiliates. In the event any payments are made under the guidelines provided in this Section 10, the timing of such payments shall be in accordance with the provisions of Section 6(e) or, if applicable, Section 9(d).

Section 11. Change of Control. In the event of a Change of Control of the Company, as then defined under the Company's 2018 Long-Term Incentive Plan, or its successor plan, the Performance Period shall end on the date of the Change of Control, and the Performance Metrics shall be deemed to have been achieved at actual levels for the

pro-rata portion of the Performance Period that elapsed through the date of the Change of Control. In such event, any Award Bonus earned shall be paid to Participants on such pro-rata basis in accordance with the provisions of Section 6(e) or, if applicable, Section 9(d), but subject to the Committee's overall discretion as provided in Section 6(c).

Notwithstanding Section 9.02 of the Company's 2018 Long-Term Incentive Plan, the consummation of the transactions contemplated by (i) the Agreement and Plan of Merger, dated as of February 26, 2020, by and among the Company, EQM LP Corporation, LS Merger Sub, LLC, EQM Midstream Partners, LP (the "Partnership"), and EQGP Services, LLC and (ii) the Preferred Restructuring Agreement, dated as of February 26, 2020, by and among the Company, the Partnership, and the investors set forth on Schedule I thereto, will not constitute a Change of Control.

Section 12. Compensation Recoupment Policy. Any Award Bonuses paid to Participants shall be subject to the terms and conditions of the Company's Compensation Recoupment Policy, as may be amended, modified, supplemented from time to time and any successor or replacement policy thereto. In addition, the Committee may specify in an incentive award agreement that the Participant's rights, payments and benefits with respect to an incentive award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an incentive award.

Section 13. Dispute Resolution. The following is the exclusive procedure to be followed by all Participants in resolving disputes arising from payments made under this Plan. All disputes relative to a given Performance Period must be presented to the Company's Chief Human Resources Officer (who will forward the dispute to the Committee) within thirty (30) days following the payment date of the Award Bonus for that Performance Period, or the Participant's right to dispute a payment will be irrevocably waived. The Participant with the concern must include a written statement setting forth in reasonable detail, the basis for the dispute, including, but not limited to, specific reference to the pertinent Plan and/or incentive award agreement provisions on which the dispute is based. A decision will be rendered by the Committee within one hundred twenty (120) days of the Committee's receipt of the dispute. The Chairperson of the Committee will be responsible for preparing a written version of the decision. The decision by the Committee regarding the matter is final and binding on all Participants.

Section 14. Amendment or Termination of this Plan. The Board and the Committee shall each have the right to amend or terminate the Plan at any time. No Participant shall have any vested right, interest or entitlement to any Award Bonus hereunder prior to its payment. The Company shall notify affected Participants in writing of any material amendment that, in the Company's discretion, may adversely affect the Participant or any Plan termination.

Section 15. Governing Law. The validity, interpretation, construction and effect of the Plan and any rules and regulations relating to the Plan shall be governed by the laws of the Commonwealth of Pennsylvania (without regard to the conflicts of laws thereof), and applicable federal law.

Section 16. Withholding. The Company or any of its affiliates shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or such affiliate an amount sufficient to satisfy federal, state and local taxes (including the Participant's FICA obligation) required by law to be withheld.

Section 17. Severability. If any provision of the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws. If such provision cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of

the Plan, it shall be deleted and the remainder of the Plan shall remain in full force and effect; provided, however, that, unless otherwise determined by the Committee, the provision shall not be construed or deemed amended or deleted with respect to any Participant whose rights and obligations under the Plan are not subject to the law of such jurisdiction or the law deemed applicable by the Committee.

Certain personally identifiable information contained in this document, marked by brackets as [***], has been omitted from this exhibit pursuant to Item 601(a)(6) under Regulation S-K.

**CONFIDENTIALITY, NON-SOLICITATION and
CHANGE OF CONTROL AGREEMENT**

This Confidentiality, Non-Solicitation and Change of Control Agreement (“Agreement”) is made effective as of March 31, 2020, by and between Equitrans Midstream Corporation, a Pennsylvania corporation (Equitrans Midstream Corporation and its subsidiary companies are hereinafter collectively referred to as the “Company”), and **Brian P Pietrandrea** (the “Employee”).

WITNESSETH:

WHEREAS, the parties intend that this Agreement supersede in its entirety the Confidentiality, Non-Solicitation and Non-Competition Agreement between Company and the Employee dated March 7, 2013, as amended through the date hereof and all prior versions thereof (the “Non-Competition Agreement”);

WHEREAS, in order to protect the business, goodwill and confidential information of the Company, the Company desires to obtain or continue to obtain certain confidentiality and non-solicitation covenants from the Employee and the Employee desires to agree to such covenants in exchange for, among other things, the Company’s promise herein to pay certain severance benefits to the Employee subject to the provisions of Section 2 below; and

WHEREAS, in order to accomplish the foregoing objectives, the Company and the Employee desire to enter into this Agreement which, among other things, reflects the parties’ best efforts to comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), to the benefit of the Employee.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Confidentiality of Information and Nondisclosure. The Employee acknowledges and agrees that his/her employment by the Company necessarily involves his/her knowledge of and access to confidential and proprietary information pertaining to the business of the Company. Accordingly, the Employee agrees that at all times during the term of this Agreement and for as long as the information remains confidential after the termination of the Employee’s employment, he/she will not, directly or indirectly, without the express written authority of the Company, unless directed by applicable legal authority having jurisdiction over the Employee, disclose to or use, or knowingly permit to be so disclosed or used, for the benefit of himself/herself, any person, corporation or other entity other than the Company, (a) any information concerning any financial matters, employees of the Company, customer relationships, competitive status, supplier matters, internal organizational matters, current or future plans, or other business affairs of or relating to the Company, (b) any management, operational, trade,

technical or other secrets or any other proprietary information or other data of the Company, or (c) any other information related to the Company which has not been published and is not generally known outside of the Company. The Employee acknowledges that all of the foregoing, constitutes confidential and proprietary information, which is the exclusive property of the Company.

Nothing in this Agreement prohibits the Employee from: (a) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures (including of confidential information) that are protected under the whistleblower provisions of federal, state, or local law or regulation; or (b) disclosing trade secrets when the disclosure is solely for the purpose of: (i) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity; (ii) working with legal counsel in order to determine whether possible violations of federal, state, or local law or regulation exist; or (iii) filing a complaint or other document in a lawsuit or other proceeding, if such filing is made under seal. Any disclosures of trade secrets must be consistent with 18 U.S.C. §1833.

2. Enhanced Severance Benefits Related to Change of Control. In lieu of any payments and/or benefits to which the Employee may be entitled under the Company's Severance Pay Plan, as amended from time to time, the Company will provide the Employee the following Enhanced Severance Benefits (as defined below) subject to the terms of this Section if there is a Change of Control (as defined below) and, either: the Company terminates the Employee's employment other than for Cause (as defined below) within 24 months following the date of such Change of Control; or the Employee terminates his/her employment for Good Reason (as defined below) following the date of such Change of Control.

a. For purposes of this Section, "Enhanced Severance Benefits" include:

- i. A lump sum payment in an amount equal to twelve (12) months of the Employee's base salary at the higher of the rate of salary in effect at the time of such termination or the rate of salary in effect immediately prior to the date of the Change of Control;
- ii. A lump sum payment in the amount of fifteen thousand dollars \$15,0000; and
- iii. A lump sum payment equal to the product of (i) twelve (12) and (ii) 100% of the then-current Consolidated Omnibus Budget Reconciliation Act of 1985 monthly rate for family coverage.

b. The Company's obligation to provide Enhanced Severance Benefits shall be contingent upon:

- i. The Employee's execution of a release of claims in a form acceptable to the Company; and

- ii. The Employee's compliance with his/her obligations hereunder, including but not limited to the obligations set forth in Sections 1 and 3.

c. All Enhanced Severance Benefits payable to the Employee pursuant to this Section shall be made in a lump sum within 60 days following the Employee's execution and delivery to the Company of the release identified in Subsection (b)(i) above. The payments provided under this Section 2 shall be subject to applicable tax and payroll withholdings. Notwithstanding the foregoing, in the event the 60 day period described in this Subsection (c) causes the lump sum payment to become payable after March 15 of the year following the year in which the Employee's employment was terminated, the payment date shall be accelerated and the lump sum payment shall occur on or before March 15 of the year following the year in which the Employee's employment was terminated.

d. For purposes of this Agreement, "Change of Control" shall mean any of the following events:

- i. The sale or other disposition by the Company of all or substantially all of its assets to a single purchaser or to a group of purchasers, other than to a corporation with respect to which, following such sale or disposition, more than eighty percent (80%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of the Company's Board of Directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding common stock and the combined voting power of the then outstanding voting securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the outstanding common stock and voting power immediately prior to such sale or disposition;
- ii. The acquisition in one (1) or more transactions by any person or group, directly or indirectly, of beneficial ownership of thirty percent (30%) or more of the outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of the Company's Board of Directors; provided, however, that the following shall not constitute a Change of Control: (A) any acquisition by the Company or any of its subsidiaries, or any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its subsidiaries and (B) an acquisition by any person or group of persons of not more than forty percent (40%) of the outstanding Shares or the combined voting power of the then outstanding voting securities of the Company if such acquisition resulted from the issuance of capital stock by the Company and the issuance and the acquiring person or group was approved in advance of such issuance by at least two-thirds (2/3) of the Continuing Directors (as defined below) then in office;

- iii. The Company's termination of its business and liquidation of its assets;
- iv. There is consummated a merger, consolidation, reorganization, share exchange or similar transaction involving the Company (including a triangular merger), in any case, unless immediately following such transaction: (A) all or substantially all of the persons who were the beneficial owners of the outstanding common stock and outstanding voting securities of the Company immediately prior to the transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such transaction (including a corporation or other person which as a result of such transaction owns the Company or all or substantially all of the Company's assets through one (1) or more subsidiaries (a "Parent Company")) in substantially the same proportion as their ownership of the common stock and other voting securities of the Company immediately prior to the consummation of the transaction, (B) no person (other than (1) the Company, any employee benefit plan sponsored or maintained by the Company or, if reference was made to equity ownership of any Parent Company for purposes of determining whether the foregoing clause (A) is satisfied in connection with the transaction, such Parent Company, or (2) any person or group that satisfied the requirements of the foregoing subsection (ii)(B)) beneficially owns, directly or indirectly, thirty percent (30%) or more of the outstanding shares of common stock the combined voting power of the voting securities entitled to vote generally in the election of directors of the corporation resulting from such transaction and (C) individuals who were members of the Company's Board of Directors immediately prior to the consummation of the transaction constitute at least a majority of the members of the board of directors resulting from such transaction (or, if reference was made to equity ownership of any Parent Company for purposes of determining whether the foregoing clause (A) is satisfied in connection with the transaction, such Parent Company); or
- v. The following individuals (sometimes referred to herein as "Continuing Directors") cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the entire Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Company's Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who

either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved.

The foregoing shall be construed and interpreted in a manner that is compliant with Section 409A of the Code.

Notwithstanding the foregoing, the consummation of the transactions contemplated by (i) the Agreement and Plan of Merger, dated as of February 26, 2020, by and among the Company, EQM LP Corporation, LS Merger Sub, LLC, EQM Midstream Partners, LP (the "Partnership"), and EQGP Services, LLC and (ii) the Preferred Restructuring Agreement, dated as of February 26, 2020, by and among the Company, the Partnership, and the investors set forth on Schedule I thereto, will not constitute a Change of Control.

e. Solely for purposes of this Agreement, "Cause" shall include: (i) the Employee's conviction of a felony, a crime of moral turpitude or fraud or the Employee having committed fraud, misappropriation or embezzlement in connection with the performance of the Employee's duties; (ii) the Employee's willful and repeated failures to substantially perform assigned duties; or (iii) the Employee's violation of any provision of this Agreement or express significant policies of the Company. If the Company terminates the Employee's employment for Cause, the Company shall give the Employee written notice setting forth the reason for the Employee's termination not later than 30 days after such termination.

f. Solely for purposes of this Agreement, "Good Reason" shall mean the Employee's resignation within 90 days after (but in all cases prior to the second anniversary of such Change of Control): (i) a reduction in the Employee's base salary of 10% or more (unless the reduction is applicable to all similarly situated employees); (ii) a reduction in the Employee's annual short-term bonus target by the greater of (A) 10 percent and (B) 5 percentage points of the Employee's target bonus percentage, unless the reduction is applicable to all similarly situated employees; (iii) a significant diminution in the Employee's job responsibilities, duties or authority; (iv) a change in the geographic location of the Employee's primary reporting location of more than 50 miles; and/or (v) any other action or inaction that constitutes a material breach by the Company of any written employment-related agreement between the Employee and the Company, including this Agreement.

A termination by the Employee shall not constitute termination for Good Reason unless the Employee first delivers to the General Counsel of the Company written notice: (i) stating that the Employee intends to resign for Good Reason pursuant to this Agreement; and (ii) setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than 90 days after the initial occurrence of such event). The Company shall have a reasonable period of time (not less than 30 days) to take action to correct, rescind or substantially reverse the occurrence supporting termination for Good Reason as identified by the Employee. Failure by the Company to act or respond to the written notice shall not be deemed to be an admission that Good Reason exists.

3. Non-Solicitation. In consideration for the benefits described in Section 2 hereof and the rescission of the Non-Competition Agreement, the Employee agrees:

a. While the Employee is employed by the Company and for a period of twelve (12) months after the date of the Employee's termination of employment with the Company for any reason, the Employee shall not (directly or indirectly) on his/her own behalf or on behalf of any other person or entity solicit or induce, or cause any other person or entity to solicit or induce, or attempt to solicit or induce, any employee, consultant, vendor or independent contractor to leave the employ of or engagement by the Company or its successors, assigns or affiliates, or to violate the terms of their contracts with the Company.

b. For a period of twelve (12) months following the termination of the Employee's employment with the Company for any reason, including without limitation termination for Cause or without Cause, the Employee shall not, directly or indirectly, solicit the business of, or do business with:

- i. any customer that the Employee approached, solicited or accepted business from on behalf of the Company, and/or was provided confidential or proprietary information about while employed by the Company within the one (1) year period preceding the Employee's separation from the Company; and
- ii. any prospective customer of the Company who was identified to or by the Employee and/or who the Employee was provided confidential or proprietary information about while employed by the Company within the one (1) year period preceding the Employee's separation from the Company, for purposes of marketing, selling and/or attempting to market or sell products and services which are the same as or similar to any product or service the Company offers within the last two (2) years prior to the end of the Employee's employment with the Company, and/or, which are the same as or similar to any product or service the Company has in process over the last two (2) years prior to the end of the Employee's employment with the Company to be offered in the future.

4. Severability. The provisions of this Agreement are severable. To the extent that any provision of this Agreement is deemed unenforceable in any court of law, the parties intend that such provision be construed by such court in a manner to make it enforceable and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

5. Reasonable and Necessary Agreement. The Employee acknowledges and agrees that: (a) this Agreement is necessary for the protection of the legitimate business interests of the Company; (b) the restrictions contained in this Agreement are reasonable; (c) the Employee will be fully able to earn an adequate livelihood for the Employee and the Employee's dependents if the non-solicitation provisions contained in this Agreement are enforced against the Employee; and (d) the Employee has received adequate and valuable consideration for entering into this Agreement.

6. Injunctive Relief and Attorneys' Fees. The Employee stipulates and agrees that any breach of this Agreement by the Employee will result in immediate and irreparable harm to the Company, the amount of which will be extremely difficult to ascertain, and that the Company could not be reasonably or adequately compensated by damages in an action at law. For these reasons, the Company shall have the right, without objection from the Employee, to obtain such preliminary, temporary or permanent mandatory or restraining injunctions, orders or decrees as may be necessary to protect the Company against, or on account of, any breach by the Employee of Sections 1 or 3 hereof. In the event the Company obtains any such injunction, order, decree or other relief, in law or in equity: (a) the Employee shall be responsible for reimbursing the Company for all costs associated with obtaining the relief, including reasonable attorneys' fees and expenses and costs of suit; and (b) the duration of any violations of Sections 1 and 3 shall be added to the twelve (12) months restricted period specified in Section 3. Such right to equitable relief is in addition to the remedies the Company may have to protect its rights at law, in equity or otherwise.

7. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

8. Governing Law/Consent to Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. For the purpose of any suit, action or proceeding arising out of or relating to this Agreement, the Employee irrevocably consents and submits to the jurisdiction and venue of any state or federal court located in Allegheny County, Pennsylvania. The Employee agrees that service of the summons and complaint and all other process which may be served in any such suit, action or proceeding may be effected by mailing by registered mail a copy of such process to the Employee at the address set forth below (or such other address as the Employee shall provide to the Company in writing). The Employee irrevocably waives any objection which he/she may now have or hereafter has to the venue of any such suit, action or proceeding brought in such court and any claim that such suit, action or proceeding brought in such court has been brought in an inconvenient forum and agrees that service of process in accordance with this Section will be deemed in every respect effective and valid personal service of process upon the Employee. Nothing in this Agreement will be construed to prohibit service of process by any other method permitted by law. The provisions of this Section will not limit or otherwise affect the right of the Company to institute and conduct an action in any other appropriate manner, jurisdiction or court. The Employee agrees that final judgment in such suit, action or proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

9. Employment at Will. The Employee acknowledges that he/she is employed at-will and for no definite term. This means that either party may terminate the employment relationship at any time for any or no reason.

10. Arbitration of Employment Claims. In the event that the Employee does not execute a release of all claims pursuant to Section 2(b) above, any dispute arising out of or relating to the Employee's employment or termination of employment with the Company shall be resolved by the sole and exclusive means of binding arbitration in accordance with the terms of the

Company's Alternative Dispute Resolution Program Policy (the "ADR Program"). Consistent with the provisions of the ADR Program, the parties further agree that any dispute arising out of or relating to their obligations under this Agreement itself, including but not limited to the Company's obligations under Section 2 and the Employee's obligations under Sections 1 and 3 above, shall not be subject to binding arbitration under the ADR Program.

11. Internal Revenue Code Section 409A.

a. General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder. Nevertheless, the tax treatment of the benefits provided under the Agreement is not warranted or guaranteed. Neither the Company nor its directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Employee as a result of the application of Section 409A of the Code.

b. Separation from Service. For purposes of the Agreement, the term "termination," when used in the context of a condition to, or the timing of, a payment hereunder, shall be interpreted to mean a "separation from service" as such term is used in Section 409A of the Code.

c. Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable under this Agreement by reason of the Employee's separation from service during a period in which the Employee is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Company under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):

- i. the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following the Employee's separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Employee's separation from service (or, if the Employee dies during such period, within 30 days after the Employee's death) (in either case, the "Required Delay Period"); and
- ii. the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

For purposes of this Agreement, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder.

d. Timing of Release of Claims. Whenever in this Agreement a payment or benefit is conditioned on the Employee's execution of a release of claims, such release must be

executed and all revocation periods shall have expired within 60 days after the date of termination; failing which such payment or benefit shall be forfeited. If such payment or benefit constitutes Non-Exempt Deferred Compensation, and if such 60-day period begins in one calendar year and ends in the next calendar year, the payment or benefit shall not be made or commence before the second such calendar year, even if the release becomes irrevocable in the first such calendar year. In other words, the Employee is not permitted to influence the calendar year of payment based on the timing of his/her signing of the release.

12. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, including, for the avoidance of doubt, the Non-Competition Agreement. This Agreement may not be changed, amended, or modified, except by a written instrument signed by the parties; provided, however, that the Company may amend this Agreement from time to time without the Employee's consent to the extent deemed necessary or appropriate, in its sole discretion, to effect compliance with Section 409A of the Code, including regulations and interpretations thereunder, which amendments may result in a reduction of benefits provided hereunder and/or other unfavorable changes to the Employee.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and the Employee has hereunto set his hand, all as of the day and year first above written.

EQUITRANS MIDSTREAM CORPORATION

EMPLOYEE:

By: /s/ Anne M. Naqi
(Signature)

/s/ Brian P. Pietrandrea
(Signature)

Address:

[***]

EQUITRANS MIDSTREAM CORPORATION
AMENDED AND RESTATED DIRECTORS' DEFERRED COMPENSATION PLAN

ARTICLE I

PURPOSE OF PLAN

This Equitrans Midstream Corporation Amended and Restated Directors' Deferred Compensation Plan (this "**Plan**") hereby was created to provide an opportunity for the members of the Board of Directors of Equitrans Midstream Corporation (the "**Board**") to defer payment of all or a portion of the fees to which they are entitled as compensation for their services as members of the Board. The Plan also shall administer the payment of stock units and phantom stock awarded pursuant to the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan (as amended from time to time and any successor plan thereto, the "**Awarding Plan**"). The Plan was originally adopted November 12, 2018 and is hereby amended and restated effective April 28, 2020.

The Plan was established in connection with the separation of Equitrans Midstream Corporation (together with any successor thereto, the "**Company**") into a new publicly traded company (the "**Separation**"). Amounts in deferral accounts under the EQT Corporation 1999 Directors' Deferred Compensation Plan or the EQT Corporation 2005 Directors' Deferred Compensation Plan (collectively, the "**EQT Deferred Compensation Plans**") of any individuals who became members of the Board upon the Separation were transferred into a Deferral Account (as defined below) under the Plan in connection with the Separation. In addition, any Phantom Stock (as defined below) issued in connection with the Separation in respect of phantom common stock of EQT Corporation ("**EQT Phantom Stock**") under an EQT Deferred Compensation Plan shall be administered under the Plan (regardless of whether such individual becomes a member of the Board). Any EQT Phantom Stock shall be administered under the applicable EQT Deferred Compensation Plan and shall not be subject to the terms of this Plan.

ARTICLE II

DEFINITIONS

When used in this Plan and initially capitalized, the following words and phrases shall have the meanings indicated:

- 2.1. "Account"** means the total of a Participant's Deferral Account and Phantom Stock Account under the Plan.
 - 2.2. "Beneficiary"** means the person or persons designated or deemed to be designated by a person pursuant to Article VII to receive benefits payable under the Plan in the event of the designating person's death.
-

- 2.3. “Change in Control”** shall have the meaning set forth under the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan, as amended from time to time, or its successor.
- 2.4. “Code”** means the Internal Revenue Code of 1986, as amended.
- 2.5. “Committee”** means the Management Development and Compensation Committee of the Board.
- 2.6. “Company Stock Fund”** means the Equitrans Midstream Corporation Common Stock Fund investment option available to Participants in the Plan.
- 2.7. “Deferral Account”** means the recordkeeping account established on the books and records of the Company to record a Participant’s deferral amounts under Section 5.1, plus or minus any investment gain or loss allocable thereto under Section 5.4.
- 2.8. “Directors’ Fees”** means the fees that are paid by the Company to members of the Board as compensation for services performed by them as members of the Board, including supplemental retainers for committee, chair and lead director positions, as applicable.
- 2.9. “Enrollment Form”** means the agreement to participate and related elections filed by a Participant pursuant to Section 5.1, in the form prescribed by the Committee, directing the Company to reduce the amount of Directors’ Fees otherwise currently payable to the Participant and credit such amount to the Participant’s Deferral Account hereunder.
- 2.10. “Equitrans Midstream 401(k) Plan”** means the Equitrans Midstream Corporation Employee Savings Plan, as amended from time to time, or any successor thereto.
- 2.11. “Hardship Withdrawal”** shall have the meaning set forth in Section 6.3.
- 2.12. “Investment Options”** means the investment options available under the Plan into which a Participant may direct all or part of his or her Deferral Account, as modified from time to time in accordance with Section 5.3.
- 2.13. “Investment Return Rate”** means:
- (a) In the case of an Investment Option of a fixed income nature, the interest deemed to be credited as determined in accordance with the procedures applicable to the same investment option provided under the Equitrans Midstream 401(k) Plan;
 - (b) In the case of an Investment Option of an equity investment nature (other than the Company Stock Fund), the increase or decrease in deemed value and any dividends deemed to be credited as determined in accordance with the procedures applicable to the same investment option provided under the Equitrans Midstream 401(k) Plan; or
 - (c) In the case of the Company Stock Fund, the value will track the price of Company common stock and dividends will be reinvested in additional shares of Company common stock.

2.14. “Irrevocable Trust” means a grantor trust that **may** be established to assist the Company in fulfilling its obligations under this Plan. All amounts held in such Irrevocable Trust shall remain subject to the claims of the general creditors of the Company, and Participants in this Plan shall have no greater rights to any amounts held in any such Irrevocable Trust than any other unsecured general creditor of the Company.

2.15. “Participant” means any non-employee member of the Board (i) who receives an award of Phantom Stock under an Awarding Plan and/or (ii) who elects to participate in the Plan for purposes of deferring his or her Directors’ Fees by filing an Enrollment Form with the Committee pursuant to Section 5.1. From and after a Participant’s death, the term “Participant” as used herein shall refer to any properly designated Beneficiary of such deceased Participant. From and after a Beneficiary’s death, the term “Participant” as used herein shall refer to any properly designated Beneficiary of such deceased Beneficiary. Participant also includes non-employee members of the board of directors of EQT Corporation who have EQT Phantom Stock under the EQT Deferred Compensation Plans with respect to which Phantom Stock under this Plan was issued in connection with the Separation (each, an **“EQT Participant”**).

2.16. “Phantom Stock” means those shares of the common stock or stock units of the Company:

- (i) awarded pursuant to an Awarding Plan; and
- (ii) which will be distributed to eligible Participants in the form and medium and on the date or permissible payment event specified in the Phantom Stock Agreement, which date or permissible payment event is deemed to be incorporated by reference herein.

2.17. “Phantom Stock Account” means the recordkeeping account established on the books and records of the Company to record the number of shares of Phantom Stock allocated to a Participant under the Plan.

2.18. “Phantom Stock Agreement” means any agreement and/or terms of award of Phantom Stock under an Awarding Plan pursuant to which Phantom Stock is or may be payable.

2.19. “Plan Year” means the twelve (12)-month period commencing each January 1 and ending on December 31.

2.20. “Valuation Date” means the last day of each calendar quarter and any other date determined by the Committee or specified herein.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.1. Eligibility for Phantom Stock Account.

Eligibility to participate in the Plan for purposes of the Phantom Stock Account under Article IV is limited to those non-employee members of the Board who receive Phantom Stock pursuant to the terms of an Awarding Plan. An eligible Board member shall commence participation in the Plan for purposes of the Phantom Stock Account on the date on which an award of Phantom Stock is made to him or her pursuant to the terms of an Awarding Plan.

Notwithstanding any provision of this Plan to the contrary, any individual who holds Phantom Stock issued in connection with the Separation in respect of EQT Phantom Stock shall be a participant in the Plan automatically upon the Separation with respect to such Phantom Stock (regardless of whether such individual becomes a member of the Board). Such Phantom Stock shall be subject to the same terms and conditions as the corresponding EQT Phantom Stock.

3.2. Eligibility for Deferral Account.

Eligibility to participate in the Plan for purposes of deferring Directors' Fees under Section 5.1 is limited to non-employee members of the Board. An eligible Board member shall commence participation in the Plan for purposes of deferring Directors' Fees as of the first day of the Plan Year following the receipt of his or her Enrollment Form by the Committee in the preceding calendar year or, to the extent permitted under Section 409A of the Code, within thirty (30) days of first becoming eligible to participate in the Plan.

Notwithstanding any provision of this Plan to the contrary, any elections by an individual who participated in an EQT Deferred Compensation Plan immediately prior to the Separation shall automatically apply to determine deferrals hereunder.

ARTICLE IV

PHANTOM STOCK ACCOUNT

4.1. Phantom Stock Award.

As of the date of any Phantom Stock award pursuant to the terms of an Awarding Plan, the Phantom Stock Account of a Participant receiving such award shall be credited with the number of Phantom Stock units as specified in such award. Separate subaccounts shall be maintained to accommodate different forms and media of payment applicable to specific Phantom Stock Agreements.

4.2. Valuation of Phantom Stock Account; Deemed Reinvestment of Dividends.

As of each Valuation Date, the value of a Participant's Phantom Stock Account shall equal the value of the number of shares of Phantom Stock credited to such account as of such date.

Any dividends paid on Company common stock shall be deemed to have been reinvested in additional shares of Phantom Stock under the Plan, as follows. Dividends paid in the form of Company common stock shall be deemed to have been reinvested into shares of Phantom Stock on a one-for-one basis (including fractional shares). Dividends paid in cash or other property shall be deemed to have been reinvested into that number of shares of Phantom Stock determined by (i) multiplying (a) the number of shares of Phantom Stock in the Participant's Phantom Stock Account on the dividend record date, by (b) the amount or value of the dividends paid per share of Company common stock, and (ii) dividing the resulting aggregate amount by the value of one share of Company common stock on the dividend payment date.

For purposes of determining the value of the Phantom Stock credited to a Participant's Phantom Stock Account as of any time of reference, each share of Phantom Stock shall be equivalent in value to one share of Company common stock. For purposes of this Plan, the value of Company common stock may be based on either (i) an actual intra-day trading price of Company common stock on any date of reference or (ii) the closing price of Company common stock on or within one business day preceding or following the date of reference. Notwithstanding anything in this Plan to the contrary, the Company may adopt alternate procedures for determining the value of Phantom Stock in the event Company common stock ceases to be traded on the New York Stock Exchange or to reflect the occurrence of a Conversion Event described in Section 4.3.

4.3. Adjustment and Substitution of Phantom Stock.

In the event of: (a) a stock split (or reverse stock split) with respect to Company common stock; (b) the conversion of Company common stock into another form of security or debt instrument of the Company; (c) the reorganization, merger or consolidation of the Company into or with another person or entity; or (d) any other action that would alter the number of, and/or rights with respect to, outstanding shares of Company common stock (each, a "**Conversion Event**"), then the shares of Phantom Stock then allocated to a Participant's Phantom Stock Account shall be automatically adjusted or converted, as the case may be, to reflect as closely as possible the effect of such Conversion Event on the Company common stock. On and after any such Conversion Event, this Plan shall be applied, *mutatis mutandis*, as if the Participant's Phantom Stock Account was composed of the cash, securities, notes or other instruments into which the shares of Company common stock were converted. Following the occurrence of a Conversion Event, the Board is authorized to amend the Plan as it, in its sole discretion, determines to be necessary or appropriate to address any administrative or operational details presented by the Conversion Event that are not addressed in the Plan.

4.4. Shareholder Rights.

Except as specifically provided herein, an award of Phantom Stock under the Plan shall not entitle a Participant to voting rights or any other rights of a shareholder of the Company.

4.5. Statement of Phantom Stock Account.

As soon as administratively feasible following the last day of each calendar quarter, the Committee shall provide to each Participant a statement of the value of his or her Phantom Stock Account as of the most recent Valuation Date.

ARTICLE V

DEFERRAL ACCOUNT

5.1. Deferral of Directors' Fees.

Any non-employee member of the Board may elect to defer a specified percentage of his or her Directors' Fees under the Plan by submitting to the Committee a written Enrollment Form. Subject to Section 3.2, such election shall be effective with respect to Directors' Fees paid for services performed by such Participant beginning the first day of the Plan Year following the receipt by the Committee of the Participant's Enrollment Form in the preceding calendar year or, to the extent permitted under Section 409A of the Code, within thirty (30) days of first becoming eligible to participate in the Plan. Any such election shall remain in effect for the Plan Year. A Participant may not withdraw or amend his or her Enrollment Form during the Plan Year.

5.2. Investment Direction.

A Participant may direct that amounts deferred pursuant to his or her Enrollment Form be deemed to be invested in one or more of the Investment Options (a "**New Money Election**") and credited with shares or units in each such Investment Option in the same manner as equivalent contributions would be invested under the same investment options available under the Equitrans Midstream 401(k) Plan. A Participant may direct that amounts previously credited to his or her Deferral Account be transferred between and among the then available Investment Options (a "**Reallocation Election**"). A Participant may make a New Money Election to invest in the Company Stock Fund or to cease future investments in such Fund in the same manner as any other Investment Option. Reallocation Elections may direct that amounts previously credited to a Participant's Company Stock Fund be transferred out of such Fund and into another Investment Option or that amounts previously credited to another Investment Option be transferred out of such other Investment Option and into the Company Stock Fund.

A Participant's Deferral Account shall only be deemed to be invested in Investment Options for purposes of crediting investment gain or loss under Section 5.4, and the Company shall not be required to actually invest, on behalf of any Participant, in any Investment Option. The Company may, but shall not be required to, make contributions to an Irrevocable Trust in an amount equal to the amounts deferred by Participants. Any such contributions by the Company to an Irrevocable Trust and related investments shall be solely to assist the Company in satisfying its obligations under this Plan, and no Participant shall have any right, title or interest whatsoever in any such contributions or investments.

Participant investment elections with respect to Deferral Accounts shall be made by written notice to the Committee in accordance with procedures established by the Committee; provided, however, that investment directions to an Investment Option must be in multiples of whole percentage points (1%). Any such investment election shall be effective no later than three business days following the date on which the written notice is received and shall remain in effect until changed by the Participant. In the event that a Participant fails to direct the investment of his or her Deferral Account, the Committee shall direct such Participant's Deferral Account to the Investment Option that corresponds with the investment option under the Equitrans Midstream 401(k) Plan that is then designated by the Company's Benefits Investment Committee (the "BIC") as the default investment option under the Equitrans Midstream 401(k) Plan or another investment approved by the BIC.

5.3. Investment Options and Changes to Investment Options.

Except as otherwise determined in the sole discretion of the BIC, the Investment Options under the Plan shall be the same investment options available under the Equitrans Midstream 401(k) Plan from time to time. Any change to any investment options available under the Equitrans Midstream 401(k) Plan as determined in the sole discretion of the BIC shall, unless otherwise determined by the BIC, be a change to the Investment Options available under the Plan. No such action shall require an amendment to the Plan. Prior to the change or elimination of any Investment Option under the Plan, the Committee shall provide written notice to each Participant with respect to whom a Deferral Account is maintained under the Plan, and any Participant who has directed any part of his or her Deferral Account to such Investment Option shall be permitted to redirect such portion of his or her Deferral Account to another Investment Option offered under the Plan.

5.4. Crediting of Investment Return.

Each Participant's Deferral Account shall be credited with deemed investment gain or loss at the Investment Return Rate as of each Valuation Date, based on the average daily balance of the Participant's Deferral Account since the immediately preceding Valuation Date, but after such Deferral Account has been adjusted for any contributions or distributions to be credited or deducted for such period. Until a Participant or his or her Beneficiary receives his or her entire Deferral Account, the unpaid balance thereof shall be credited with investment gain or loss at the Investment Return Rate, as provided in this Section 5.4.

5.5. Valuation of Deferral Account.

As of each Valuation Date, a Participant's Deferral Account shall equal (i) the balance of the Participant's Deferral Account as of the immediately preceding Valuation Date, plus (ii) the Participant's deferred Directors' Fees since the immediately preceding Valuation Date, plus or minus (iii) investment gain or loss credited as of such Valuation Date pursuant to Section 5.4, and minus (iv) the aggregate amount of distributions, if any, made from such Deferral Account since the immediately preceding Valuation Date. For purposes of valuing a Participant's Deferral Account upon the termination of the Participant's membership on the Board (or, in the case of an EQT Participant, termination of membership on the board of directors of EQT Corporation),

the Valuation Date shall be the business day coinciding with or immediately preceding the date of the termination of the Participant's membership.

5.6. Statement of Deferral Account.

As soon as administratively feasible following the last day of each calendar quarter, the Committee shall provide to each Participant a statement of the value of his or her Deferral Account as of the most recent Valuation Date.

ARTICLE VI

PAYMENT OF BENEFITS

6.1. Payment of Phantom Stock Account.

On the date, or other permissible payment event under Section 409A of the Code, provided for payment pursuant to the terms of a Phantom Stock Agreement, which date or other permissible payment event under Section 409A of the Code is deemed to be incorporated by reference herein, the Company shall pay or distribute to the Participant or, in the event of the Participant's death, to his or her Beneficiary, either an amount in cash equal to the value of the Participant's Phantom Stock Account then payable, or the number of shares of Company common stock then payable, whichever medium is provided in the Phantom Stock Agreement (or elected by the Participant if such election was made available for such award of Phantom Stock), based on awards credited to the Participant's Phantom Stock Account pursuant to Section 4.1, as determined in accordance with Article IV, less any income tax withholding required under applicable law.

6.2. Payment of Deferral Account.

Within thirty (30) days following a Participant's termination of membership on the Board (or, in the case of an EQT Participant, termination of membership on the board of directors of EQT Corporation), and in accordance with the election provided in Section 6.4, and without regard to whether the Participant is entitled to payment of his or her Phantom Stock Account, the Company shall pay, or commence payment to, the Participant or, in the event of the Participant's death, to his or her Beneficiary, an amount equal to the value of the Participant's Deferral Account, as determined in accordance with Article V, less any income tax withholding required under applicable law. Except as otherwise provided in the following sentence, such payment shall be made in cash in the form elected by the Participant pursuant to Section 6.4. To the extent the Participant had directed that any portion of his or her Deferral Account be invested in the Company Stock Fund, the Company shall distribute such portion in such number of shares of Company common stock as are deemed invested in the Company Stock Fund. For purposes of this Plan, the term "termination of membership," when used in the context of a condition to, or timing of, payment hereunder shall be interpreted to mean a "separation from service" as that term is used in Section 409A of the Code.

6.3. Hardship Withdrawal from Deferral Account.

In the event that the Committee, in its sole discretion, determines upon the written request of a Participant in accordance with procedures established from time to time by the Committee, that the Participant has suffered an unforeseeable emergency, the Company may pay to the Participant in a lump sum, as soon as administratively feasible following such determination, an amount necessary to meet the emergency, but not exceeding the aggregate balance of such Participant's Deferral Account as of the date of such payment (a "**Hardship Withdrawal**"). Any such Hardship Withdrawal shall be subject to any income tax withholding required under applicable law. The Participant shall provide to the Committee such evidence as the Committee may require to demonstrate that such emergency exists and financial hardship would occur if the withdrawal were not permitted.

For purposes of this Section 6.3, an "unforeseeable emergency" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary or the Participant's dependent (as defined in Section 152 of the Code, without regard to Section 152(b)(1), (b)(2) and (d)(1)(B)), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, or as otherwise defined in Section 409A of the Code from time to time. The amount of a Hardship Withdrawal may not exceed the amount the Committee reasonably determines to be necessary to meet such emergency needs (including taxes incurred by reason of a taxable distribution) after taking into account the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by the cessation of future deferrals under the Plan.

The form of payment of the Hardship Withdrawal shall be a lump sum cash payment. For purposes of reducing a Participant's Deferral Account and adjusting the balances in the various Investment Options in which such reduced Deferral Account is deemed to be invested to reflect such Hardship Withdrawal, amounts represented by such Hardship Withdrawal shall be deemed to have been withdrawn, on a pro rata basis, from each of the Investment Options in which his or her Deferral Account is deemed to be invested.

To the extent the Participant had directed that any portion of his or her Deferral Account be invested in the Company Stock Fund, the Company shall distribute such portion in such number of shares of Company common stock based on the value at the date of distribution.

6.4. Form of Payment.

(a) Distributions from Deferral Accounts. With respect to Plan Years beginning on or before January 1, 2014, a Participant may elect to receive distributions from his or her Deferral Account payable hereunder in one of the following forms:

- (i) Annual payments of a fixed amount which shall amortize the value of the Deferral Account over a period of five, ten or fifteen years (together, in the

case of each annual payment, with interest and dividends credited thereto after the payment commencement date pursuant to Section 5.4); or

- (ii) A lump sum.

Such an election must be made in writing in accordance with procedures established by the Committee at the time of filing the Enrollment Form with respect to the Plan Year. In the event a Participant fails to make a distribution election within the time period prescribed, his or her Deferral Account shall be distributed in the form of a lump sum.

Payment of the Deferral Account shall be made or commenced at the time specified in Section 6.2 upon the Participant's separation from service.

(b) Distribution of Company Common Stock in Deferral Accounts. In the event the Company is required to distribute some or all of a Participant's Deferral Account in shares of Company common stock in accordance with Section 6.2, such shares shall be distributed in the same manner as the Participant elected in subsection (a). To the extent the Participant elected an installment form of payment, the number of shares of Company common stock to be distributed in each installment shall be determined by multiplying (i) the aggregate number of shares of Company common stock deemed to be credited to the Participant's Deferral Account as of the installment payment date by (ii) a fraction, the numerator of which is one and the denominator of which is the number of unpaid installments, and by rounding the resulting number down to the next whole number.

(c) Distributions from Phantom Stock Accounts. Distributions from a Participant's Phantom Stock Account (including any subaccounts) shall be made in the form and medium specified in the applicable Phantom Stock Agreement, or in accordance with the Participant's election if so permitted in connection with a particular Phantom Stock Agreement, which shall be consistent with the parameters of payment elections made under Section 6.4(a). To the extent the Participant elected an installment form of payment, the number of shares of Company common stock to be distributed in each installment shall be determined by multiplying (i) the aggregate number of shares of Phantom Stock credited to the applicable subaccount of the Phantom Stock Account as of the installment payment date by (ii) a fraction, the numerator of which is one and the denominator of which is the number of unpaid installments, and by rounding the resulting number down to the next whole number.

6.5. Payments to Beneficiaries.

In the event of a Participant's death prior to the complete distribution of the Participant's Account, the Participant's Beneficiary shall receive payment of the Participant's Deferral Account and Phantom Stock Account (including any subaccounts) in the form and medium that would have been applicable to the Participant for such Account. Payment of such amounts, less any income tax withholding required under applicable law, shall be made or commence, as the case may be, within sixty (60) days after the Participant's death. If no installment election was made by the original Participant, the Participant's Beneficiary shall receive payment of the Participant's Deferral Account or Phantom Stock Account, as the case may be, in the form of a

lump sum. In the event of the Participant's death after commencement of installment payments under the Plan, but prior to receipt of his or her entire Account, the Participant's Beneficiary shall receive the remaining installment payments at such times as such installments would have been paid to the Participant until the entire Account is paid.

6.6. Limited Account Size; Lump Sum Payment.

In the event that the value of a Participant's Account is not greater than the applicable dollar limit under Section 402(g)(1)(B) of the Code as of the Valuation Date immediately preceding the commencement of payment to the Participant under the Plan pursuant to this Article VI, the Committee may inform the Company and the Company, in its sole discretion, may choose to pay the benefit in the form of a lump sum, notwithstanding any provision of this Plan or an election of a Participant under Section 6.4 to the contrary, provided that the payment results in a termination and liquidation of the entirety of the Participant's interest under the Plan, including all agreements, methods, programs or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treas. Reg. §1.409A-1(c)(2) and the requirements of Treas. Reg. §1.409A-3(j)(4)(v), or any successor regulation, are also satisfied with respect to such payment.

ARTICLE VII

BENEFICIARY DESIGNATION

Each Participant shall have the right, at any time, to designate any person or persons as his or her Beneficiary to whom payment may be made of any amounts which may become payable in the event of his or her death prior to the complete distribution to the Participant of his or her Account. Any Beneficiary designation shall be made in writing in accordance with procedures established by the Committee. A Participant's most recent Beneficiary designation shall supersede all prior Beneficiary designations. In the event a Participant does not designate a Beneficiary under the Plan, any payments due under the Plan shall be made first to the Participant's spouse; if no spouse, then in equal amounts to the Participant's living children; if no living children, then to the Participant's estate.

ARTICLE VIII

ADMINISTRATION

8.1. Committee.

The Committee shall have sole discretion to: (i) designate non-employee directors eligible to participate in the Plan; (ii) interpret the provisions of this Plan; (iii) supervise the administration and operation of this Plan; and (iv) adopt rules and procedures governing the Plan.

8.2. Delegation.

The Committee may delegate its administrative duties under the Plan to one or more delegates, who may or may not be employees of the Company.

8.3. Binding Effect of Decisions.

Any decision or action of the Committee with respect to any question arising out of or in connection with the eligibility, participation, administration, interpretation and application of this Plan shall be final and binding upon all persons having any interest in the Plan.

8.4. Indemnification of Committees.

The Company shall indemnify and hold harmless the members of the Committee and the BIC and their duly appointed delegates under Section 8.2 against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct by any such member or agent of the Committee or the BIC.

ARTICLE IX

AMENDMENT AND TERMINATION OF PLAN

9.1. Amendment.

The Company (or its delegate) may at any time, or from time to time, modify or amend any or all of the provisions of this Plan. Where the action is to be taken by the Company, it shall be accomplished by written action of the Board at a meeting duly called at which a quorum is present and acting throughout. Where the action is to be taken by a delegate of the Company, it shall be accomplished pursuant to any procedures established in the instrument delegating the authority. Regardless of whether the action is taken by the Company or its delegate, no such modification or amendment shall have the effect of reducing the value of any Participant's Account under the Plan as it existed as of the day before the effective date of such modification or amendment, without such Participant's prior written consent. Written notice of any modification or amendment to the Plan shall be provided to each Participant whose rights and privileges under the Plan are affected.

9.2. Termination.

The Company, in its sole discretion, may terminate this Plan at any time and for any reason whatsoever by written action of the Board at a meeting duly called at which a quorum is present and acting throughout; provided that such termination shall not have the effect of reducing the value of any Participant's Account under the Plan as it existed on the day before the effective date of the termination of this Plan without such Participant's prior written consent. Any termination of this Plan shall not affect the time and form of payment of any Accounts; provided, however, that the Company reserves the right to accelerate payment of Accounts in accordance with Treas. Reg. §1.409A-3(j)(4)(ix), or any successor regulation. The Valuation Date for

purposes of determining the value of Participants' Accounts upon termination of this Plan shall be the date prior to the date of the termination of this Plan.

ARTICLE X

MISCELLANEOUS

10.1. Funding.

The Company's obligation to pay benefits under the Plan shall be merely an unfunded and unsecured promise of the Company to pay money in the future. The Company, in its sole discretion, may make contributions to an Irrevocable Trust to assist the Company in satisfying all or any portion of its obligations under the Plan. Regardless of whether the Company contributes to an Irrevocable Trust, Participants, their Beneficiaries and their respective heirs, successors and assigns, shall have no secured interest or right, title or claim in any property or assets of the Company.

10.2. Nonassignability.

No right or interest of a Participant or Beneficiary under the Plan may be assigned, transferred or subjected to alienation, anticipation, sale, pledge, encumbrance or other legal process or in any manner be liable for or subject to the debts or liabilities of any such Participant or Beneficiary, or any other person.

10.3. Legal Fees and Expenses.

If after a Change in Control (i) a Participant in good faith believes that the Company has failed to comply with any of its obligations under this Plan or (ii) the Company or any other person takes any action to declare this Plan void or unenforceable, or institutes any litigation designed to deny, or to recover from, a Participant the benefits intended to be provided to such Participant hereunder, then the Company irrevocably authorizes such Participant to retain counsel of his or her choice, at the expense of the Company as hereafter provided, to represent such Participant in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder or other person affiliated with the Company in any jurisdiction. The Company shall pay and be solely responsible for the reasonable attorneys' and related fees and expenses incurred by such Participant in connection with the foregoing sentence from the date of such Change in Control through the Participant's death. All such expenses shall be reimbursed to such Participant upon delivery of the relevant expense statements to the Company duly certified by such Participant. The expense reimbursements provided in this Section 10.3 shall be payable on a monthly basis following submission of expense statements for the prior month. Notwithstanding the foregoing sentence, to the extent reimbursed, all reimbursement payments with respect to expenses incurred within a particular year shall be made no later than the end of the Participant's taxable year following the taxable year in which the expense was incurred. The amount of reimbursable expenses incurred in one taxable year of the Participant shall not affect the amount of reimbursable expenses in a

different taxable year, and such reimbursement shall not be subject to liquidation or exchange for another benefit.

10.4. No Acceleration of Benefits.

Notwithstanding anything to the contrary herein, there shall be no acceleration of the time or schedule of any payments under the Plan, except as may be provided in regulations under Section 409A of the Code.

10.5. Captions.

The captions contained herein are for convenience only and shall not control or affect the meaning or construction hereof.

10.6. Governing Law.

The provisions of this Plan shall be construed and interpreted according to the laws of the Commonwealth of Pennsylvania.

10.7. Successors.

The provisions of this Plan shall bind and inure to the benefit of the Company, its affiliates, and their respective successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company or a participating affiliate and successors of any such corporation or other business entity.

10.8. No Right to Continued Service.

Nothing contained herein shall be construed to confer upon any Participant the right to continue to serve as a member of the Board or in any other capacity.

CERTIFICATION

I, Thomas F. Karam, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Equitrans Midstream Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2020

/s/ Thomas F. Karam

Thomas F. Karam
Chief Executive Officer

CERTIFICATION

I, Kirk R. Oliver, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Equitrans Midstream Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2020

/s/ Kirk R. Oliver

Kirk R. Oliver

Senior Vice President and Chief Financial Officer

CERTIFICATION

In connection with the Quarterly Report of Equitrans Midstream Corporation on Form 10-Q for the period ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Equitrans Midstream Corporation.

/s/ Thomas F. Karam

May 14, 2020

Thomas F. Karam
Chief Executive Officer

/s/ Kirk R. Oliver

May 14, 2020

Kirk R. Oliver
Senior Vice President and Chief Financial Officer