



EQT CORPORATION

625 Liberty Ave, Suite 1700 | Pittsburgh, PA 15222-3111

P: 412.553.5700 | www.eqt.com

Submitted via Electronic Mail

October 16, 2023

Mr. Jim Buccigross
Chair, Wholesale Gas Quadrant Executive Committee
North American Energy Standards Board
1415 Louisiana Street, Suite 3460
Houston, TX 77002

RE: Formal Comments of EQT Energy, LLC on Standards Request R23001

Dear Chairman Buccigross:

EQT Energy, LLC (“EQT Energy”) is a natural gas marketing company focused on the purchase and sale of natural gas in the Appalachian Basin. EQT Energy’s parent company, EQT Corporation (“EQT”), is the largest producer of natural gas in the United States. EQT Energy has a significant interest in the North American Energy Standards Board (“NAESB”) Wholesale Gas Quadrant (“WGQ”) Contracts Subcommittee’s consideration of Standards Request R23001 (“Standards Request”), which proposes to revise the force majeure provisions in the NAESB Base Contract for Sale and Purchase of Natural Gas (“Base Contract”).

On September 14, 2023, the WGQ Contracts Subcommittee voted to approve Cheniere’s motion for a no action recommendation on the Standards Request. That motion passed with overwhelming support from the Producers, Pipeline, and Services segments. With these comments, EQT Energy urges the WGQ Executive Committee to approve that no action recommendation.

EQT Energy remains concerned that the Base Contract modifications contemplated by the Standards Request, if adopted, will shift considerable risk to producers and upset the balance that has historically existed and currently exists between buyers and sellers under the Base Contract. EQT Energy therefore opposes the Standards Request and supports a vote in favor of no action.

As the WGQ Executive Committee deliberates on the no action recommendation it should recall that a guiding principle of the Base Contract is its universal appeal. The Base Contract is understood by industry as an enabling agreement containing terms and conditions that reflect a standardized set of business practices and industry standards, and that appropriately apportions performance obligations, financial responsibility, and counterparty risk among willing buyers and sellers. Counterparties, meanwhile, retain ample flexibility to supplement and modify these standards by negotiating Special Provisions intended to capture commercial terms and objectives specific to a given transaction.

Mindful of this, EQT Energy believes the existing force majeure provisions in the Base Contract strike a fair and thoughtful balance between performance obligations and performance risk for both buyers and sellers and are appropriately structured to recognize that these provisions

EQT Energy, LLC's Formal Comments on Standards Request R23001

October 16, 2023

Page 2

are intended to address circumstances beyond a party's control. Revising these provisions in the Base Contract as suggested by the Standards Request would present a significant shift in how parties allocate force majeure-related risk in gas contracts.

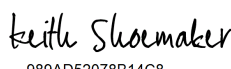
Reflecting on the importance of maintaining the Base Contract's broad application and appeal, EQT Energy believes that the commercial goals of sophisticated parties must continue to drive the need for any modifications to the standard terms in the Base Contract, with any such agreed-upon modifications memorialized as Special Provisions. This includes any modifications negotiating parties deem commercially appropriate to address, for instance, opting to exclude well freeze-offs or other conditions as force majeure events. EQT Energy does not oppose negotiating with counterparties for modifications such as these. But rather than compel such measures through extensive changes to the Base Contract, they should be addressed bilaterally among counterparties.

Addressing issues such as these on a bilateral basis affords negotiating parties the time and opportunity needed to evaluate any increased risks and costs associated with modifying the standard contract language. This approach further preserves a long-standing common practice within the industry that EQT Energy believes should continue. Meaningfully altering this practice, as the Standards Request contemplates, risks disrupting industry expectations of the Base Contract and potentially undermining its use.

In light of these concerns, EQT Energy opposes the proposed modifications to the Base Contract outlined in the Standards Request and supports the no action recommendation that was approved by the WGQ Contracts Subcommittee and that now is before the WGQ Executive Committee. EQT Energy urges this committee to vote in favor of no action.

Respectfully submitted,

DocuSigned by:



000AD52078D44C8...

Keith Shoemaker

Senior Vice President, Commercial

EQT Energy, LLC