

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2026
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____



**NW Natural
HOLDINGS™**

NORTHWEST NATURAL HOLDING COMPANY

(Exact name of registrant as specified in its charter)

Commission file number **1-38681**
Oregon 82-4710680

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

250 SW Taylor Street

Portland Oregon 97204
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(503) 226-4211**



NW Natural®

NORTHWEST NATURAL GAS COMPANY

(Exact name of registrant as specified in its charter)

Commission file number **1-15973**
Oregon 93-0256722

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

250 SW Taylor Street

Portland Oregon 97204
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(503) 226-4211**

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

<u>Registrant</u>	<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
NORTHWEST NATURAL HOLDING COMPANY	Common Stock	NWN	New York Stock Exchange
NORTHWEST NATURAL GAS COMPANY	None		

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.

NORTHWEST NATURAL HOLDING COMPANY Yes ☒ No ☐ NORTHWEST NATURAL GAS COMPANY 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).

NORTHWEST NATURAL HOLDING COMPANY Yes ☒ No ☐ NORTHWEST NATURAL GAS COMPANY 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.

NORTHWEST NATURAL HOLDING COMPANY

Large Accelerated Filer ☒
Accelerated Filer ☐
Non-accelerated Filer ☐
Smaller Reporting Company ☐
Emerging Growth Company ☐

NORTHWEST NATURAL GAS COMPANY

Large Accelerated Filer ☐
Accelerated Filer ☐
Non-accelerated Filer ☒
Smaller Reporting Company ☐
Emerging Growth Company ☐

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).

NORTHWEST NATURAL HOLDING COMPANY Yes ☐ No ☒ NORTHWEST NATURAL GAS COMPANY Yes ☐ No ☒

At April 28, 2026, 42,080,352 shares of Northwest Natural Holding Company's Common Stock (the only class of Common Stock) were outstanding. All shares of Northwest Natural Gas Company's Common Stock (the only class of Common Stock) outstanding were held by Northwest Natural Holding Company.

This combined Form 10-Q is separately filed by Northwest Natural Holding Company and Northwest Natural Gas Company. Information contained in this document relating to Northwest Natural Gas Company is filed by Northwest Natural Holding Company and separately by Northwest Natural Gas Company. Northwest Natural Gas Company makes no representation as to information relating to Northwest Natural Holding Company or its subsidiaries, except as it may relate to Northwest Natural Gas Company and its subsidiaries.

NORTHWEST NATURAL GAS COMPANY NORTHWEST NATURAL HOLDING COMPANY

For the Quarterly Period Ended March 31, 2026

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PART I. FINANCIAL INFORMATION

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to the safe harbors created by such Act. Forward-looking statements can be identified by words such as anticipates, assumes, may, intends, plans, projects, seeks, should, believes, estimates, expects, will, could, and similar references (including the negatives thereof) to future periods, although not all forward-looking statements contain these words. Examples of forward-looking statements include, but are not limited to, statements regarding the following:

- plans, projections and predictions;
- objectives, goals, visions or strategies;
- assumptions, generalizations and estimates;
- ongoing continuation of past practices or patterns;
- future events or performance;
- trends;
- risks;
- uncertainties;
- timing and cyclicalities;
- economic conditions, including impacts of inflation, interest rates, recessionary risk, the imposition and/or announcement of tariffs imposed on the import of certain goods into the U.S. from various countries and general economic uncertainty;
- earnings and dividends;
- capital expenditures and allocation;
- capital markets or access to capital;
- capital or organizational structure;
- matters related to climate change and our role in decarbonization or a lower-carbon future;
- renewable natural gas, environmental attributes related thereto, and hydrogen;
- our strategy to reduce greenhouse gas emissions and the efficacy of communicating that strategy to shareholders, investors, stakeholders and communities;
- the policies and priorities of the current presidential administration and U.S. Congress;
- growth;
- customer rates;
- labor relations and workforce succession;
- commodity costs;
- desirability and cost competitiveness of natural gas;
- gas reserves;
- operational performance and costs;
- energy policy, infrastructure and preferences;
- public policy approach and involvement;
- efficacy of derivatives and hedges;
- liquidity, financial positions, and planned securities issuances;
- valuations;
- project and program development, expansion, or investment;
- business development efforts, including new business lines such as unregulated renewable natural gas, and acquisitions and integration thereof;
- implementation and execution of our water strategy;
- pipeline capacity, demand, location, and reliability;
- adequacy of property rights and operations center development;
- technology implementation and cybersecurity practices;
- competition;
- procurement and development of gas (including renewable natural gas) and water supplies;
- estimated expenditures, supply chain and third party availability and impairment;
- supply chain disruptions;
- costs of compliance, and our ability to include those costs in rates;
- customers bypassing our infrastructure;
- credit exposures and credit ratings or changes in credit ratings or outlook;
- uncollectible account amounts;
- rate or regulatory outcomes, recovery or refunds, and the availability of public utility commissions to take action;
- impacts or changes of the current presidential administration, executive orders, laws, rules and regulations, or legal challenges related thereto, including energy and climate related legislation;
- tax liabilities or refunds, including effects of tax legislation;
- levels and pricing of gas storage contracts and gas storage markets;
- outcomes, timing and effects of potential claims, litigation, regulatory actions, and other administrative matters;
- projected obligations, expectations and treatment with respect to, and the impact of new legislation on, retirement plans;
- international, federal, state, and local efforts to regulate, in a variety of ways, greenhouse gas emissions, and the effects of those efforts;

- geopolitical factors, including the ongoing conflicts in Europe and the Middle East;
- availability, adequacy, and shift in mix, of gas and water supplies;
- effects of new or anticipated changes in critical accounting policies or estimates;
- approval and adequacy of regulatory deferrals;
- effects and efficacy of regulatory mechanisms; and
- environmental, regulatory, litigation and insurance costs and recoveries, and timing thereof.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We therefore caution you against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements are discussed in NW Holdings' and NW Natural's 2025 Annual Report on Form 10-K, Part I, Item 1A *"Risk Factors"* and Part II, Item 7 and Item 7A, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and *"Quantitative and Qualitative Disclosures about Market Risk"*, respectively, and Part I of this report, Items 2 and 3, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and *"Quantitative and Qualitative Disclosures About Market Risk"*, respectively.

Any forward-looking statement made in this report speaks only as of the date on which it is made. Factors or events that could cause actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

NORTHWEST NATURAL HOLDING COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>In thousands, except per share data</i>	Three Months Ended March 31,	
	2026	2025
Operating revenues	\$ 490,403	\$ 494,284
Operating expenses:		
Cost of gas	158,149	172,991
Operations and maintenance	83,109	83,683
Environmental remediation	6,325	6,253
General taxes	16,343	15,771
Revenue taxes	18,100	19,405
Depreciation	44,134	40,500
Other operating expenses	1,375	1,327
Total operating expenses	327,535	339,930
Income from operations	162,868	154,354
Other income (expense), net	512	(2,516)
Interest expense, net	33,352	29,395
Income before income taxes	130,028	122,443
Income tax expense	32,539	34,527
Net income	97,489	87,916
Other comprehensive income (loss):		
Amortization of non-qualified employee benefit plan liability, net of taxes \$33 and \$25 for the three months ended March 31, 2026 and 2025, respectively	91	175
Unrealized gain (loss) on interest rate swaps, net of taxes \$(6) and \$47 for the three months ended March 31, 2026 and 2025, respectively	30	(130)
Comprehensive income	\$ 97,610	\$ 87,961
Average common shares outstanding:		
Basic	41,708	40,244
Diluted	41,816	40,304
Earnings per share of common stock:		
Basic	\$ 2.34	\$ 2.18
Diluted	2.33	2.18

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL HOLDING COMPANY

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>In thousands</i>	March 31, 2026	March 31, 2025	December 31, 2025
Assets:			
Current assets:			
Cash and cash equivalents	\$ 34,945	\$ 100,050	\$ 36,673
Accounts receivable	150,545	154,746	121,875
Accrued unbilled revenue	61,236	59,936	97,238
Allowance for uncollectible accounts	(4,510)	(4,427)	(4,068)
Regulatory assets	146,545	88,623	143,745
Derivative instruments	2,719	4,363	3,922
Inventories	134,745	90,334	127,697
Other current assets	57,895	46,275	75,850
Total current assets	<u>584,120</u>	<u>539,900</u>	<u>602,932</u>
Non-current assets:			
Property, plant, and equipment	5,722,356	5,268,063	5,640,435
Less: Accumulated depreciation	<u>1,300,897</u>	<u>1,266,222</u>	<u>1,288,422</u>
Total property, plant, and equipment, net	4,421,459	4,001,841	4,352,013
Regulatory assets	637,563	371,258	424,194
Derivative instruments	459	864	366
Other investments	69,441	82,663	80,676
Operating lease right of use asset, net	68,113	70,455	68,224
Assets under sales-type leases	120,450	124,623	121,470
Goodwill	371,257	354,534	370,815
Other non-current assets	<u>146,105</u>	<u>160,754</u>	<u>146,351</u>
Total non-current assets	5,834,847	5,166,992	5,564,109
Total assets	<u>\$ 6,418,967</u>	<u>\$ 5,706,892</u>	<u>\$ 6,167,041</u>

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL HOLDING COMPANY

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>In thousands, except share information</i>	March 31, 2026	March 31, 2025	December 31, 2025
Liabilities and equity:			
Current liabilities:			
Short-term debt	\$ 171,276	\$ 81,100	\$ 171,989
Current maturities of long-term debt	160,669	36,838	160,627
Accounts payable	124,844	132,814	175,566
Taxes accrued	17,197	24,115	18,123
Interest accrued	22,036	16,297	26,121
Regulatory liabilities	113,914	111,050	137,974
Derivative instruments	42,097	26,122	63,631
Operating lease liabilities	3,270	2,662	3,228
Other current liabilities	75,225	82,958	79,186
Total current liabilities	730,528	513,956	836,445
Long-term debt	2,272,444	2,193,071	2,272,202
Deferred credits and other non-current liabilities:			
Deferred tax liabilities	467,134	424,338	437,467
Regulatory liabilities	762,429	730,084	758,407
Pension and other postretirement benefit liabilities	108,929	127,853	112,139
Derivative instruments	17,318	8,224	14,039
Operating lease liabilities	74,918	77,226	74,986
Other non-current liabilities	408,366	175,922	186,280
Total deferred credits and other non-current liabilities	1,839,094	1,543,647	1,583,318
Commitments and contingencies (Note 16)			
Equity:			
Common stock - no par value; authorized 100,000,000 shares; issued and outstanding 42,080,010, 40,308,777, and 41,563,577 at March 31, 2026 and 2025, and December 31, 2025, respectively	1,069,314	992,278	1,044,000
Retained earnings	512,213	470,795	435,823
Accumulated other comprehensive loss	(4,626)	(6,855)	(4,747)
Total equity	1,576,901	1,456,218	1,475,076
Total liabilities and equity	\$ 6,418,967	\$ 5,706,892	\$ 6,167,041

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL HOLDING COMPANY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)

In thousands, except per share amounts

	Three Months Ended March 31,	
	2026	2025
Total shareholders' equity, beginning balances	\$ 1,475,076	\$ 1,385,371
Common stock:		
Beginning balances	1,044,000	989,346
Stock-based compensation	3,907	1,931
Shares issued pursuant to equity based plans, net of shares withheld for taxes	(760)	(16)
Issuance of common stock, net of issuance costs	22,167	1,017
Ending balances	1,069,314	992,278
Retained earnings:		
Beginning balances	435,823	402,925
Net income	97,489	87,916
Dividends on common stock	(21,099)	(20,046)
Ending balances	512,213	470,795
Accumulated other comprehensive income (loss):		
Beginning balances	(4,747)	(6,900)
Other comprehensive income	121	45
Ending balances	(4,626)	(6,855)
Total shareholders' equity, ending balances	<u>\$ 1,576,901</u>	<u>\$ 1,456,218</u>
Dividends per share of common stock	\$ 0.4925	\$ 0.4900

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL HOLDING COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
Operating activities:		
Net income	\$ 97,489	\$ 87,916
Adjustments to reconcile net income to cash provided by operations:		
Depreciation	44,134	40,500
Amortization	6,131	5,583
Deferred income taxes	24,998	23,997
Qualified defined benefit pension plan expense	2,307	2,719
Contributions to qualified defined benefit pension plans	(2,900)	(2,610)
Deferred environmental expenditures, net	(6,079)	(6,991)
Environmental remediation expense	6,325	6,253
Asset optimization revenue sharing bill credits	(23,156)	(15,549)
Other	4,207	3,016
Changes in assets and liabilities:		
Receivables, net	21,656	15,509
Inventories	(7,598)	18,279
Income and other taxes	13,408	18,084
Accounts payable	(31,219)	4,187
Deferred gas costs	(29,651)	(16,959)
Asset optimization revenue sharing	4,297	4,357
Decoupling mechanism	(15,803)	(1,422)
Cloud-based software	(2,490)	(2,195)
Regulatory accounts	13,208	2,155
Other, net	(3,137)	(7,219)
Cash provided by operating activities	116,127	179,610
Investing activities:		
Capital expenditures	(113,656)	(102,184)
Acquisitions, net of cash acquired	—	(270,492)
Purchase of equity method investment	(1,000)	(1,000)
Other	(1,397)	(1,299)
Cash used by investing activities	(116,053)	(374,975)
Financing activities:		
Proceeds from common stock issued, net	22,264	961
Long-term debt issued	—	375,000
Long-term debt retired	(121)	(1,511)
Changes in other short-term debt, net	(713)	(94,010)
Cash dividend payments on common stock	(19,775)	(19,104)
Payment of financing fees	(54)	(4,307)
Shares withheld for tax purposes	(1,988)	(1,536)
Other	(392)	(1,125)
Cash (used in) provided by financing activities	(779)	254,368
(Decrease) increase in cash, cash equivalents and restricted cash	(705)	59,003
Cash, cash equivalents and restricted cash, beginning of period	41,077	47,982
Cash, cash equivalents and restricted cash, end of period	\$ 40,372	\$ 106,985
Supplemental disclosure of cash flow information:		
Interest paid, net of capitalization	\$ 36,443	\$ 30,109
Income taxes paid, net of refunds	1,400	750

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL GAS COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
Operating revenues	\$ 433,896	\$ 448,813
Operating expenses:		
Cost of gas	140,144	159,436
Operations and maintenance	70,530	67,766
Environmental remediation	6,325	6,253
General taxes	16,037	14,979
Revenue taxes	17,037	18,565
Depreciation	39,444	36,036
Other operating expenses	693	746
Total operating expenses	290,210	303,781
Income from operations	143,686	145,032
Other expense, net	(104)	(2,749)
Interest expense, net	17,678	15,580
Income before income taxes	125,904	126,703
Income tax expense	32,155	35,664
Net income	93,749	91,039
Other comprehensive income:		
Amortization of non-qualified employee benefit plan liability, net of taxes of \$33 and \$25 for the three months ended March 31, 2026 and 2025, respectively	91	175
Comprehensive income	\$ 93,840	\$ 91,214

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL GAS COMPANY

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>In thousands</i>	March 31, 2026	March 31, 2025	December 31, 2025
Assets:			
Current assets:			
Cash and cash equivalents	\$ 24,274	\$ 81,767	\$ 29,347
Accounts receivable	128,410	135,432	102,165
Accrued unbilled revenue	55,023	55,961	86,600
Receivables from affiliates	4,350	2,789	997
Allowance for uncollectible accounts	(3,285)	(3,533)	(3,048)
Regulatory assets	145,946	88,598	143,135
Derivative instruments	2,719	4,339	3,922
Inventories	126,669	85,641	119,319
Other current assets	50,078	40,698	61,024
Total current assets	534,184	491,692	543,461
Non-current assets:			
Property, plant, and equipment	5,046,862	4,780,480	5,000,329
Less: Accumulated depreciation	1,257,950	1,237,907	1,256,289
Total property, plant, and equipment, net	3,788,912	3,542,573	3,744,040
Regulatory assets	632,054	369,628	419,847
Derivative instruments	459	858	366
Other investments	48,821	63,436	61,049
Operating lease right of use asset, net	65,005	67,717	65,650
Assets under sales-type leases	120,450	124,623	121,470
Other non-current assets	93,425	107,141	93,235
Total non-current assets	4,749,126	4,275,976	4,505,657
Total assets	\$ 5,283,310	\$ 4,767,668	\$ 5,049,118

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL GAS COMPANY

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>In thousands</i>	March 31, 2026	March 31, 2025	December 31, 2025
Liabilities and equity:			
Current liabilities:			
Short-term debt	\$ —	\$ —	\$ 9,990
Current maturities of long-term debt	54,962	29,995	54,948
Accounts payable	96,129	112,502	138,931
Payables to affiliates	17,732	15,706	2,354
Taxes accrued	15,099	15,416	15,682
Interest accrued	14,690	12,050	15,399
Regulatory liabilities	113,728	110,856	137,908
Derivative instruments	42,081	26,122	63,578
Operating lease liabilities	2,457	1,895	2,515
Other current liabilities	71,401	78,936	75,667
Total current liabilities	<u>428,279</u>	<u>403,478</u>	<u>516,972</u>
Long-term debt	<u>1,480,109</u>	<u>1,335,572</u>	<u>1,479,942</u>
Deferred credits and other non-current liabilities:			
Deferred tax liabilities	449,691	408,249	426,093
Regulatory liabilities	752,402	729,139	748,846
Pension and other postretirement benefit liabilities	108,929	127,853	112,139
Derivative instruments	17,318	8,224	14,039
Operating lease liabilities	72,580	75,230	73,097
Other non-current liabilities	391,798	163,718	169,746
Total deferred credits and other non-current liabilities	<u>1,792,718</u>	<u>1,512,413</u>	<u>1,543,960</u>
Commitments and contingencies (Note 16)			
Equity:			
Common stock	854,903	839,903	854,903
Retained earnings	731,915	683,179	658,046
Accumulated other comprehensive loss	(4,614)	(6,877)	(4,705)
Total equity	<u>1,582,204</u>	<u>1,516,205</u>	<u>1,508,244</u>
Total liabilities and equity	<u>\$ 5,283,310</u>	<u>\$ 4,767,668</u>	<u>\$ 5,049,118</u>

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL GAS COMPANY

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY (UNAUDITED)

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
Total shareholder's equity, beginning balances	\$ 1,508,244	\$ 1,324,050
Common stock:		
Beginning balances	854,903	719,903
Capital contributions from parent	—	120,000
Ending balances	854,903	839,903
Retained earnings:		
Beginning balances	658,046	611,199
Net income	93,749	91,039
Dividends on common stock	(19,880)	(19,059)
Ending balances	731,915	683,179
Accumulated other comprehensive income (loss):		
Beginning balances	(4,705)	(7,052)
Other comprehensive income	91	175
Ending balances	(4,614)	(6,877)
Total shareholder's equity, ending balances	\$ 1,582,204	\$ 1,516,205

See Notes to Unaudited Consolidated Financial Statements

NORTHWEST NATURAL GAS COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
Operating activities:		
Net income	\$ 93,749	\$ 91,039
Adjustments to reconcile net income to cash provided by operations:		
Depreciation	39,444	36,036
Amortization	5,453	5,375
Deferred income taxes	19,022	22,321
Qualified defined benefit pension plan expense	2,307	2,719
Contributions to qualified defined benefit pension plans	(2,900)	(2,610)
Deferred environmental expenditures, net	(6,079)	(6,991)
Environmental remediation expense	6,325	6,253
Asset optimization revenue sharing bill credits	(23,156)	(15,549)
Other	4,398	3,843
Changes in assets and liabilities:		
Receivables, net	15,160	17,855
Inventories	(7,900)	19,390
Income and other taxes	19,345	17,516
Accounts payable	(27,708)	(2,484)
Deferred gas costs	(29,651)	(16,959)
Asset optimization revenue sharing	4,297	4,357
Decoupling mechanism	(15,803)	(1,422)
Cloud-based software	(2,760)	(2,194)
Regulatory accounts	13,197	1,878
Other, net	1,594	857
Cash provided by operating activities	<u>108,334</u>	<u>181,230</u>
Investing activities:		
Capital expenditures	(79,615)	(83,608)
Other	(909)	(1,145)
Cash used by investing activities	<u>(80,524)</u>	<u>(84,753)</u>
Financing activities:		
Cash contributions received from parent	—	120,000
Changes in other short-term debt, net	(9,990)	(136,510)
Cash dividend payments on common stock	(19,880)	(19,059)
Shares withheld for tax purposes	(1,988)	(1,536)
Other	(2)	(123)
Cash used by financing activities	<u>(31,860)</u>	<u>(37,228)</u>
Increase (decrease) in cash, cash equivalents, and restricted cash	(4,050)	59,249
Cash, cash equivalents and restricted cash, beginning of period	33,726	29,428
Cash, cash equivalents and restricted cash, end of period	<u>\$ 29,676</u>	<u>\$ 88,677</u>
Supplemental disclosure of cash flow information:		
Interest paid, net of capitalization	\$ 17,479	\$ 17,386
Income taxes paid, net of refunds	1,400	3,000

See Notes to Unaudited Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements represent the respective, consolidated financial results of Northwest Natural Holding Company (NW Holdings) and Northwest Natural Gas Company (NW Natural) and all respective companies that each registrant directly or indirectly controls, either through majority ownership or otherwise. This is a combined report of NW Holdings and NW Natural, which includes separate consolidated financial statements for each registrant.

NW Natural operates as one reportable business segment on a consolidated basis. Prior to the first quarter of 2026, the reportable business segment NW Natural was represented as NWN Gas Utility and excluded certain gas storage and other business activities that were included in Other. Consistent with the method in which the Chief Operating Decision Maker (CODM) reviews each business, these activities were consolidated into NWN Gas Utility and presented as the reportable business segment NW Natural beginning in the first quarter of 2026. The NW Natural segment serves residential, commercial, and industrial customers in Oregon and southwest Washington and includes interstate storage services, third-party asset management services, and appliance center retail operations. NW Holdings and NW Natural historical segment reporting has been recast to reflect their current organizational structure. The recasting did not have a material effect on the consolidated financial statements of NW Holdings or NW Natural.

SiEnergy Operating, LLC (SiEnergy), which was acquired January 7, 2025, owns SiEnergy Gas, LLC, which is a regulated natural gas distribution utility, and serves residential and commercial customers in the greater metropolitan areas of Houston, Dallas, and Austin, Texas. SiEnergy also serves several transmission customers in Dallas and Austin, Texas. SiEnergy activities are reported in the SiEnergy reportable segment.

NW Natural Water Company, LLC (NW Natural Water or NWN Water) activities are reported in the NWN Water reportable segment, which provides water distribution and wastewater services to communities throughout the Pacific Northwest, Texas, Arizona, and California. NW Holdings also has investments and business activities not specifically related to the NW Natural, SiEnergy and NWN Water segments, which are aggregated and reported as Other.

NW Holdings and NW Natural consolidate all entities in which they have a controlling financial interest. Investments in corporate joint ventures and partnerships that NW Holdings does not directly or indirectly control, and for which it is not the primary beneficiary, include NNG Financial's investment in Kelso-Beaver Pipeline and NWN Water's investment in Avion Water Company, Inc., which are accounted for under the equity method. See Note 13 for activity related to equity method investments. NW Holdings and its direct and indirect subsidiaries are collectively referred to herein as NW Holdings, and NW Natural and its direct and indirect subsidiaries are collectively referred to herein as NW Natural. The consolidated financial statements of NW Holdings and NW Natural are presented after elimination of all intercompany balances and transactions.

Information presented in these interim consolidated financial statements is unaudited but includes all material adjustments management considers necessary for a fair statement of the results for each period reported including normal recurring accruals. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in NW Holdings' and NW Natural's combined Annual Report on Form 10-K for the year ended December 31, 2025 (2025 Form 10-K). A significant part of NW Holdings' and NW Natural's business is of a seasonal nature; therefore, NW Holdings and NW Natural results of operations for interim periods are not necessarily indicative of full year results. Seasonality affects the comparability of the results of other operations across quarters but not across years.

Notes to the consolidated financial statements reflect the activity for both NW Holdings and NW Natural for all periods presented, unless otherwise noted. NW Holdings and NW Natural historical segment reporting has been recast to reflect their current organizational structure. The recasting did not have a material effect on the consolidated financial statements of NW Holdings or NW Natural.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described in Note 2 of the 2025 Form 10-K. There were no material changes to those accounting policies during the three months ended March 31, 2026 other than those set forth in this Note 2. The following are updates to certain critical accounting policy estimates and new accounting standards.

Industry Regulation

NW Holdings' principal business is to operate as a holding company for NW Natural, SiEnergy, NWN Water and its other subsidiaries. NW Natural's principal business is the distribution of natural gas, which is regulated by the Oregon Public Utility Commission (OPUC) and Washington Utilities and Transportation Commission (WUTC). NW Natural also has natural gas storage services, which are regulated by the Federal Energy Regulatory Commission (FERC), and to a certain extent by the OPUC and WUTC. SiEnergy's principal business is the distribution of natural gas in Texas; primarily in the Houston, Dallas and Austin metropolitan areas. SiEnergy also includes a natural gas transmission utility serving customers in the greater metropolitan areas of Dallas and Austin, Texas. SiEnergy's natural gas utilities are subject to regulation by the Railroad Commission of Texas and the cities in which it provides services. NWN Water's principal business is water and wastewater utility services. NWN Water's subsidiaries own water businesses, which are regulated by the public utility commission in the state in which the water utility is located, which is currently Oregon, Washington, Idaho, Texas and Arizona. Wastewater businesses, to the extent they are regulated, are generally regulated by the public utility commissions in the state in which the wastewater utility is located, which is currently Texas and Arizona. Accounting records and practices of the regulated businesses conform to the requirements and uniform system of accounts prescribed by these regulatory authorities in accordance with U.S. GAAP. The businesses in which customer rates are regulated have approved cost-based rates which are intended to allow such businesses to earn a reasonable return on invested capital.

In applying regulatory accounting principles, NW Holdings and NW Natural capitalize or defer certain costs and revenues as regulatory assets and liabilities pursuant to orders of the applicable state public utility commission, which provide for the recovery of revenues or expenses from, or refunds to, utility customers in future periods, including a return or a carrying charge in certain cases.

Amounts deferred as regulatory assets and liabilities for NW Holdings and NW Natural were as follows:

<i>In thousands</i>	Regulatory Assets		
	March 31, 2026	2025	December 31, 2025
Current:			
NW Natural:			
Unrealized loss on derivatives ⁽¹⁾	\$ 42,081	\$ 26,122	\$ 63,578
Gas costs	15,523	5,085	6,284
Environmental costs ⁽²⁾	12,271	10,819	12,148
Decoupling ⁽³⁾	22,136	351	11,631
Pension balancing ⁽⁴⁾	7,131	7,131	7,131
Income taxes	2,208	2,208	2,208
Washington Climate Commitment Act compliance	7,754	8,219	7,482
Security and systems improvements	1,391	2,182	1,771
Industrial demand side management ⁽⁵⁾	12,149	12,530	10,539
Other ⁽⁶⁾	23,302	13,951	20,363
Total current - NW Natural	145,946	88,598	143,135
SiEnergy	275	—	410
NWN Water	324	25	200
Total current - NW Holdings	\$ 146,545	\$ 88,623	\$ 143,745
Non-current:			
NW Natural:			
Unrealized loss on derivatives ⁽¹⁾	\$ 17,318	\$ 8,224	\$ 14,039
Pension balancing ⁽⁴⁾	13,076	19,174	15,647
Income taxes	9,289	8,993	9,148
Pension and other postretirement benefit liabilities	93,773	108,970	96,008
Environmental costs ⁽²⁾	386,358	159,744	180,063
Gas costs	9,343	1,804	9,434
Decoupling ⁽³⁾	11,746	188	8,891
Washington Climate Commitment Act compliance	44,082	28,292	33,085
Security and systems improvements	8,158	8,452	8,234
Industrial demand side management ⁽⁵⁾	4,787	4,682	9,334
Other ⁽⁶⁾	34,124	21,105	35,964
Total non-current - NW Natural	632,054	369,628	419,847
SiEnergy HB 4384 depreciation deferral	3,288	—	2,095
SiEnergy other	1,427	876	1,412
NWN Water	794	754	840
Total non-current - NW Holdings	\$ 637,563	\$ 371,258	\$ 424,194

⁽¹⁾ Unrealized gains or losses on derivatives are non-cash items and therefore do not earn a rate of return or a carrying charge. These amounts are recoverable through NW Natural rates as part of the annual Purchased Gas Adjustment (PGA) mechanism when realized at settlement.

⁽²⁾ Refer to the Environmental Cost Deferral and Recovery table in Note 17 for a description of environmental costs.

⁽³⁾ This deferral represents the margin adjustment resulting from differences between actual and expected volumes.

⁽⁴⁾ Balance represents deferred net periodic benefit costs as approved by the OPUC.

⁽⁵⁾ Energy efficiency program for industrial sales customers in Oregon to provide assistance with reducing their gas usage.

⁽⁶⁾ Balances consist of deferrals and amortizations under approved regulatory mechanisms and typically earn a rate of return or carrying charge.

<i>In thousands</i>	Regulatory Liabilities		
	March 31, 2026	March 31, 2025	December 31, 2025
Current:			
NW Natural:			
Gas costs	\$ 21,838	\$ 33,864	\$ 34,172
Unrealized gain on derivatives ⁽¹⁾	2,719	4,339	3,922
Decoupling ⁽²⁾	2,738	8,177	5,181
Income taxes	5,406	4,726	5,406
Asset optimization revenue sharing	9,508	8,381	25,981
Washington Climate Commitment Act compliance	65,523	46,241	57,441
Other ⁽³⁾	5,996	5,128	5,805
Total current - NW Natural	113,728	110,856	137,908
SiEnergy	90	61	66
NWN Water	96	133	—
Total current - NW Holdings	<u>\$ 113,914</u>	<u>\$ 111,050</u>	<u>\$ 137,974</u>
Non-current:			
NW Natural:			
Gas costs	\$ 903	\$ 9,168	\$ 687
Unrealized gain on derivatives ⁽¹⁾	459	858	366
Decoupling ⁽²⁾	—	2,538	—
Income taxes ⁽⁴⁾	154,830	160,975	159,176
Accrued asset removal costs ⁽⁵⁾	571,035	535,075	561,594
Asset optimization revenue sharing	—	—	2,386
Other ⁽³⁾	25,175	20,525	24,637
Total non-current - NW Natural	752,402	729,139	748,846
SiEnergy asset removal costs	8,621	—	8,155
NWN Water	1,406	945	1,406
Total non-current - NW Holdings	<u>\$ 762,429</u>	<u>\$ 730,084</u>	<u>\$ 758,407</u>

(1) Unrealized gains or losses on derivatives are non-cash items and therefore do not earn a rate of return or a carrying charge. These amounts are recoverable through NW Natural rates as part of the annual Purchased Gas Adjustment (PGA) mechanism when realized at settlement.

(2) This deferral represents the margin adjustment resulting from differences between actual and expected volumes.

(3) Balances consist of deferrals and amortizations under approved regulatory mechanisms and typically earn a rate of return or carrying charge.

(4) Balance represents excess deferred income tax benefits subject to regulatory flow-through. See Note 11.

(5) Estimated costs of removal on certain regulated properties are collected through rates.

We believe all costs incurred and deferred at March 31, 2026 are prudent. All regulatory assets are reviewed annually for recoverability, or more often if circumstances warrant. If we should determine that all or a portion of these regulatory assets no longer meet the criteria for continued application of regulatory accounting, then NW Holdings and NW Natural would be required to write-off the net unrecoverable balances in the period such determination is made.

Supplemental Cash Flow Information

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand plus highly liquid investment accounts with original maturity dates of three months or less. These investments are readily convertible to cash with fair value approximating cost. As of March 31, 2026, the amount invested in money market funds was \$2.5 million at NW Holdings and NW Natural. As of March 31, 2025, the amount invested in money market funds was \$68.1 million at NW Holdings and NW Natural. These investments are measured using net asset value per share.

Restricted Cash

Restricted cash is primarily comprised of funds from public purpose charges for programs that assist low-income customers with bill payments or energy efficiency. These balances are included in other current assets in the NW Holdings and NW Natural balance sheets.

The following table provides a reconciliation of the cash, cash equivalents and restricted cash balances at NW Holdings as of March 31, 2026 and 2025 and December 31, 2025:

<i>In thousands</i>	March 31,		December 31,
	2026	2025	2025
Cash and cash equivalents	\$ 34,945	\$ 100,050	\$ 36,673
Restricted cash included in other current assets	5,427	6,935	4,404
Cash, cash equivalents and restricted cash	<u>\$ 40,372</u>	<u>\$ 106,985</u>	<u>\$ 41,077</u>

The following table provides a reconciliation of the cash, cash equivalents and restricted cash balances at NW Natural as of March 31, 2026 and 2025 and December 31, 2025:

<i>In thousands</i>	March 31,		December 31,
	2026	2025	2025
Cash and cash equivalents	\$ 24,274	\$ 81,767	\$ 29,347
Restricted cash included in other current assets	5,402	6,910	4,379
Cash, cash equivalents and restricted cash	<u>\$ 29,676</u>	<u>\$ 88,677</u>	<u>\$ 33,726</u>

Accounts Receivable and Allowance for Uncollectible Accounts

NW Holdings receivable balances primarily consist of trade receivables for the sale of natural gas and natural gas transportation services from NW Natural and SiEnergy and water sales and wastewater services from NWN Water. These businesses establish an allowance for uncollectible accounts for trade receivables (allowance), including accrued unbilled revenue, based on the age of receivable balances, collection experience of past due balances and payment plans, and historical trends of write-offs. Differences between the estimated allowance and actual write-offs will occur based on a number of factors, including changes in economic conditions, customer creditworthiness, and natural gas and water prices. The allowance is adjusted quarterly, as necessary, based on information currently available.

The following table presents the activity related to the NW Holdings provision for uncollectible accounts by pool:

<i>In thousands</i>	As of December 31, 2025	Three Months Ended March 31, 2026		As of March 31, 2026
	Beginning Balance	Provision recorded, net of adjustments	Write-offs recognized, net of recoveries	Ending Balance
Allowance for uncollectible accounts:				
Residential	\$ 2,280	\$ 402	\$ (54)	\$ 2,628
Commercial	374	(27)	(48)	299
Industrial	46	10	—	56
Accrued unbilled and other	348	(49)	3	302
Total NW Natural	3,048	336	(99)	3,285
Other - NW Holdings	1,020	312	(107)	1,225
Total NW Holdings	<u>\$ 4,068</u>	<u>\$ 648</u>	<u>\$ (206)</u>	<u>\$ 4,510</u>

Allowance for Net Investments in Sales-Type Leases

NW Natural currently holds two net investments in sales-type leases, with substantially all of the net investment balance related to the North Mist natural gas storage agreement with Portland General Electric (PGE) which is billed under an OPUC-approved rate schedule. See Note 7 for more information on the North Mist lease. There is no allowance for uncollectible accounts recorded for sales-type lease receivables. NW Natural will continue monitoring the credit health of the lessees and the overall economic environment, including the economic factors closely tied to the financial health of our current and future lessees.

Greenhouse Gas Allowances

Washington

NW Natural is subject to greenhouse gas (GHG) emission reduction requirements under the Washington Climate Commitment Act (CCA) regulations. Under Washington's CCA, emission reduction compliance mechanisms include: 1) allowances distributed at no cost by the state, 2) purchasing allowances at state-run auctions or secondary markets, 3) purchasing carbon offsets, and 4) supplying alternative gaseous fuels, such as renewable natural gas and hydrogen.

NW Natural accounts for all purchased Washington allowances as inventory at the lower of cost or net realizable value. Any compliance instruments or allowances that are acquired through government allocations at no cost will be accounted for as inventory at no cost. As of March 31, 2026 and 2025, NW Natural had \$80.4 million and \$49.0 million of emissions allowances for compliance in Washington recorded as inventory.

The CCA allows for the sale of compliance instruments or allowances, and as a result, should NW Natural sell these it will recognize revenue when title to the instrument or allowance is transferred to a counterparty, and NW Natural will recognize expense at the time of recognition of the related sale. As of March 31, 2026, NW Natural consigned no-cost allowances to Washington auctions and has received a total of \$47.1 million in cash, which proceeds were recorded as a regulatory liability for the benefit of customers.

We measure the compliance obligation, which is based on emissions, at the carrying value of inventory held plus the fair value of any additional emission allowances NW Natural would need to purchase to satisfy the obligations. Under the Washington program, NW Natural has recognized a \$51.8 million and \$36.0 million liability as of March 31, 2026 and 2025. A portion of the costs to comply with the Washington program are currently being recovered from utility customers through rates. NW Natural recognized \$51.8 million and \$36.0 million of deferred costs as of March 31, 2026 and 2025.

Oregon

NW Natural is subject to GHG emission reduction requirements under the Oregon Climate Protection Program (CPP). Under Oregon's CPP, emission reduction compliance mechanisms include: 1) compliance instruments distributed at no cost by the Oregon Department of Environmental Quality (ODEQ), 2) purchasing credits through funding Community Climate Investments (CCIs), and 3) supplying alternative gaseous fuels, such as renewable natural gas and hydrogen.

NW Natural accounts for purchased Oregon instruments or credits as inventory at the lower of cost or net realizable value. Any compliance instruments that are acquired through government allocations at no cost will be accounted for as inventory at no cost.

We measure the compliance obligation, which is based on emissions, at the carrying value of inventory held plus the fair value of any additional emission allowances NW Natural would need to purchase to satisfy the obligations. NW Natural is currently recovering in Oregon rates costs associated with RNG, as well as costs related to NW Natural's transportation energy efficiency program, all of which reduce NW Natural's compliance obligation under the CPP. Under the Oregon program, NW Natural has not recorded a liability as of March 31, 2026 and 2025.

The CPP allows for the sale of compliance instruments, and as a result, should NW Natural sell these, it will recognize revenue when title to the instrument is transferred to a counterparty, and NW Natural will recognize expense at the time of recognition of the related sale. As of March 31, 2026, NW Natural has not sold compliance instruments on the market.

Cloud Computing Arrangements

For GAAP accounting purposes, implementation costs associated with cloud computing arrangements are capitalized consistent with costs capitalized for internal-use software. Capitalized implementation costs are included in other assets in the consolidated balance sheets. The implementation costs are amortized over the term of the related hosting agreement, including renewal periods that are reasonably certain to be exercised. Amortization expense of implementation costs are recorded as operations and maintenance expenses in the consolidated statements of comprehensive income. The implementation costs are included within operating activities in the consolidated statements of cash flows.

For regulatory accounting purposes, cloud-based software is reflected in rate base as property, plant and equipment and amortized over the expected useful life through depreciation expense. NW Natural is allowed recovery of and a return on cloud computing arrangements like other property, plant and equipment in rate base. The amount of cloud-based software capital expenditures for the first three months of 2026 and 2025 was \$2.2 million and \$2.1 million, respectively. The amount of cloud computing amortization for the first three months of 2026 and 2025 was \$3.1 million and \$3.1 million, respectively.

Other Current Assets

Other current assets consist of various items that are expected to be realized within the next twelve months and are not classified elsewhere on the balance sheet. Other current assets are comprised primarily of prepaid assets, restricted cash and gas reserves. As of March 31, 2026, NW Holdings and NW Natural had \$36.0 million and \$28.2 million of prepaid assets, respectively, and \$2.6 million of gas reserves. As of March 31, 2025, NW Holdings and NW Natural had \$31.9 million and \$26.4 million of prepaid assets, respectively, and \$2.7 million of gas reserves. See the Restricted Cash section above for restricted cash balances.

New Accounting Standards

NW Holdings and NW Natural consider the applicability and impact of all accounting standards updates (ASUs) issued by the Financial Accounting Standards Board (FASB). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on consolidated financial position or results of operations.

Recently Issued Accounting Pronouncements

DISAGGREGATION OF EXPENSE DISCLOSURES. In November 2024, the FASB issued ASU 2024-03, which requires additional disclosures of disaggregated income statement expenses. The disclosures are required beginning with our annual report for the year ending December 31, 2027. The FASB issued ASU 2025-01 on January 6, 2025, to amend the effective date language of ASU 2024-03 clarifying that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. ASU 2025-01 did not impact the effective date of ASU 2024-03 for NW Holdings and NW Natural. The adoption of this standard is not anticipated to have an impact on our results of operations, liquidity, or capital resources.

FINANCIAL INSTRUMENTS-CREDIT LOSSES. In July 2025, the FASB issued ASU 2025-05, which simplifies how entities estimate credit losses on current accounts receivable and current contract assets arising from revenue transactions under ASC 606. It introduced a practical expedient that allows all entities to assume that economic conditions at the balance sheet date remain unchanged for the life of the asset, eliminating the need for forward-looking forecasts. The Company elected the practical expedient and adopted this ASU effective January 1, 2026. The adoption of this standard did not have a material impact on our results of operations, liquidity or capital resources.

IMPROVEMENTS TO INTANGIBLE ASSET ACCOUNTING AND DISCLOSURES. In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software (“ASU 2025-06”). This ASU modernizes the accounting for software costs to adapt to an incremental and iterative software development method. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, and may be applied using a prospective, modified prospective or retrospective transition approach. The adoption of this standard is not anticipated to have a material impact on our results of operations, liquidity or capital resources.

INTERIM REPORTING. In December 2025, the FASB issued ASU 2025-11, which improves the guidance in Topic 270, Interim Reporting, by clarifying the current disclosure requirements for interim periods. The ASU adds to Topic 270 a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. The adoption of this standard is not anticipated to have an impact on our results of operations, liquidity, or capital resources.

CODIFICATION IMPROVEMENTS. In December 2025, the FASB issued ASU 2025-12, which makes changes to the Codification that clarify, correct errors, or make minor improvements. The amendments make the Codification easier to understand and apply. The amendments in this ASU are varied in nature and may affect the application of guidance in cases in which the original guidance may have been unclear. ASU 2025-12 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. The adoption of this standard is not anticipated to have an impact on our results of operations, liquidity, or capital resources.

3. EARNINGS PER SHARE

Basic earnings or loss per share are computed using NW Holdings' net income or loss and the weighted average number of common shares outstanding for each period presented. Diluted earnings per share are computed in the same manner, except using the weighted average number of common shares outstanding plus the effects of the assumed exercise of stock options and the payment of estimated stock awards from other stock-based compensation plans that are outstanding at the end of each period presented. Anti-dilutive stock awards are excluded from the calculation of diluted earnings or loss per common share.

NW Holdings' diluted earnings or loss per share are calculated as follows:

<i>In thousands, except per share data</i>	Three Months Ended March 31,	
	2026	2025
Net income	\$ 97,489	\$ 87,916
Average common shares outstanding - basic	41,708	40,244
Additional shares for stock-based compensation plans (See Note 8)	108	60
Average common shares outstanding - diluted	41,816	40,304
Earnings per share of common stock:		
Basic	\$ 2.34	\$ 2.18
Diluted	2.33	2.18
Additional information:		
Anti-dilutive shares	13	10

4. SEGMENT INFORMATION

NW Holdings operates three reportable business segments, which are NW Natural, SiEnergy and NWN Water. NW Holdings also has investments and business activities not specifically related to its reportable business segments, which are aggregated and reported as Other. NW Natural operates as one reportable business segment on a consolidated basis. Prior to the first quarter of 2026, the reportable business segment NW Natural was represented as NWN Gas Utility and excluded certain gas storage and other business activities that were included in Other. Consistent with the method in which the Chief Operating Decision Maker (CODM) reviews each business, these activities were consolidated into NWN Gas Utility and presented as the reportable business segment NW Natural beginning in the first quarter of 2026. NW Holdings and NW Natural historical segment reporting has been recast to reflect their current organizational structure. The recasting did not have a material effect on the consolidated financial statements of NW Holdings or NW Natural.

NW Natural

NW Natural is primarily a regulated local gas distribution company serving customers in Oregon and southwest Washington. NW Natural also provides regulated storage services at its Mist underground storage facility. The Mist underground storage facility serves distribution and interstate storage customers, and owns the North Mist gas storage facility, which serves a local electric company. NW Natural also owns NWN Gas Reserves and NW Natural RNG Holding Company, LLC, which procures regulated renewable natural gas for distribution customers. Additionally, NW Natural encompasses interstate storage services, third-party asset management services, and appliance center retail operations.

SiEnergy

SiEnergy Operating, LLC (SiEnergy), which was acquired January 7, 2025, owns SiEnergy Gas, LLC, which is a regulated natural gas distribution utility, and serves residential and commercial customers in the greater metropolitan areas of Houston, Dallas, and Austin, Texas. SiEnergy also serves several transmission customers in Dallas and Austin, Texas.

NWN Water

NWN Water is a regulated water and wastewater utility serving residential and commercial customers in Oregon, Washington, Idaho, Texas, and Arizona. NWN Water also includes non-regulated wastewater utilities and water services businesses in Oregon, Washington and Idaho, and an equity method investment in Avion Water Company, Inc. (a regulated entity). In addition, NWN Water provides water services to communities throughout the Pacific Northwest and California.

Other

NW Holdings' activities in Other includes activities of NW Natural Renewables Holdings, LLC (NWN Renewables), which is engaged in non-regulated renewable natural gas activities; NNG Financial and its pipeline assets; and NWN Energy including its wholly owned subsidiary NW Natural Gas Storage, LLC (NWN Gas Storage), which was formerly involved in a gas storage business. Other also includes corporate revenues and expenses that cannot be allocated to other operations, including certain business development activities.

Segment Information Summary

Inter-segment transactions were immaterial for the periods presented. Total assets by segment is not regularly provided to the CODM and is therefore omitted. The following table presents summary financial information concerning the reportable segments and other:

Three Months Ended March 31,

In thousands

	NW Natural	SiEnergy ⁽²⁾	NWN Water	Other	NW Holdings
2026					
Operating revenues	\$ 433,896	\$ 31,695	\$ 14,969	\$ 9,843	\$ 490,403
Depreciation	39,444	1,797	2,893	—	44,134
Income from operations ⁽¹⁾	143,686	13,834	2,399	2,949	162,868
Interest expense, net	17,678	2,543	688	12,443	33,352
Income tax expense (benefit)	32,155	2,537	554	(2,707)	32,539
Capital expenditures	79,615	24,944	9,097	—	113,656
2025					
Operating revenues	\$ 448,813	\$ 22,666	\$ 13,909	\$ 8,896	\$ 494,284
Depreciation	36,036	2,070	2,394	—	40,500
Income from operations ⁽¹⁾	145,032	9,613	3,043	(3,334)	154,354
Interest expense, net	15,580	2,257	792	10,766	29,395
Income tax expense (benefit)	35,664	1,944	631	(3,712)	34,527
Capital expenditures	83,608	10,525	8,051	—	102,184

⁽¹⁾ Income from operations is not a financial measure used by the CODM for NW Natural or SiEnergy, but is included in the table above to enable the reconciliation of NW Natural and SiEnergy margin to consolidated income before taxes in accordance with ASU 2023-07.

⁽²⁾ SiEnergy was acquired by NW Holdings on January 7, 2025. Results for the period from January 7, 2025 to March 31, 2025 are presented in the table above. Prior to January 7, 2025, NW Holdings did not operate any assets that fall within its SiEnergy segment.

NW Holdings and NW Natural's CODM is the chief executive officer. The CODM uses NW Natural margin, SiEnergy margin and NWN Water income from operations to allocate resources, predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a monthly basis when making decisions about allocating capital and personnel. The CODM also uses NW Natural margin, SiEnergy margin and NWN Water income from operations to assess the performance of NW Natural, SiEnergy and NWN Water, respectively.

NW Natural Margin

NW Natural margin is the primary financial measure used by the CODM, consisting of NW Natural operating revenues, reduced by the associated cost of gas, environmental remediation expense, and revenue taxes. The cost of gas purchased for customers is generally a pass-through cost in the amount of revenues billed. Environmental remediation expense represents collections received from customers through environmental recovery mechanisms in Oregon and Washington as well as adjustments for the Oregon environmental earnings test when applicable. This is offset by environmental remediation expense presented in operating expenses. Revenue taxes are collected from customers and remitted to taxing authorities. The collections from customers are offset by the expense recognition of the obligation to the taxing authority. Regulated gas storage margin is equivalent to operating revenues. By subtracting cost of gas, environmental remediation expense, and revenue taxes from NW Natural operating revenues, NW Natural margin provides a key metric used by the CODM in assessing the performance of the NW Natural segment.

The following table presents additional segment information concerning NW Natural margin:

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
NW Natural margin calculation:		
Distribution revenues	\$ 421,234	\$ 435,908
Regulated gas storage	9,606	9,784
Other revenue	3,056	3,121
Total operating revenues	433,896	448,813
Less: Cost of gas	140,144	159,436
Environmental remediation	6,325	6,253
Revenue taxes	17,037	18,565
NW Natural margin	270,390	264,559
Operations and maintenance	70,530	67,766
General taxes	16,037	14,979
Depreciation	39,444	36,036
Other Operating Expenses	693	746
NW Natural income from operations	<u>\$ 143,686</u>	<u>\$ 145,032</u>

SiEnergy Margin

SiEnergy margin is the primary financial measure used by the CODM, consisting of SiEnergy operating revenues, reduced by the associated cost of gas and revenue taxes. The cost of gas purchased for SiEnergy customers is generally a pass-through cost in the amount of revenues billed to regulated SiEnergy customers. Revenue taxes are collected from customers and remitted to taxing authorities. The collections from customers are offset by the expense recognition of the obligation to the taxing authority. By subtracting cost of gas and revenue taxes from SiEnergy operating revenues, SiEnergy margin provides a key metric used by the CODM in assessing the performance of the segment.

The following table presents additional segment information concerning SiEnergy margin:

<i>In thousands</i>	Three Months Ended March 31,	Three Months Ended March 31,
	2026	2025 ⁽¹⁾
SiEnergy margin calculation:		
Distribution revenues	\$ 31,695	\$ 22,666
Total operating revenues	31,695	22,666
Less: Cost of gas	12,279	8,303
Revenue taxes	961	779
SiEnergy margin	18,455	13,584
Operations and maintenance	2,814	1,682
General taxes	10	219
Depreciation	1,797	2,070
SiEnergy income from operations	<u>\$ 13,834</u>	<u>\$ 9,613</u>

⁽¹⁾ SiEnergy was acquired by NW Holdings on January 7, 2025. Results for the period from January 7, 2025 to March 31, 2025 are presented in the table above. Prior to January 7, 2025, NW Holdings did not operate any assets that fall within its SiEnergy segment.

Significant Segment Expenses

Public entities are required to disclose significant segment expenses for each reportable segment if they are regularly provided to the CODM and included in the reported measure of segment profit/loss. This requirement does not necessitate additional disclosure for the NW Natural and SiEnergy segments, as all expense categories are presented above in the NW Natural margin table and SiEnergy margin table, respectively. Significant segment expenses for NWN Water are presented below.

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
Operating revenues	\$ 14,969	\$ 13,909
Operating expenses:		
Operations and maintenance	8,607	7,265
Depreciation	2,893	2,394
Other operating expenses ⁽¹⁾	1,070	1,207
Income from operations	<u>\$ 2,399</u>	<u>\$ 3,043</u>

⁽¹⁾ Other operating expenses include general and revenue taxes and other expenses.

5. COMMON STOCK

In August 2024, the Finance Committee of the NW Holdings' Board of Directors authorized NW Holdings' sale of \$200 million in the aggregate gross sales price under the at-the-market (ATM) equity program first initiated in August 2021. NW Holdings is under no obligation to offer and sell common stock under the ATM equity program. Any shares of common stock offered under the ATM equity program are registered on NW Holdings' universal shelf registration statement filed with the SEC, which expires in August 2027, or will be registered on a subsequent registration statement to be filed by NW Holdings.

During the three months ended March 31, 2026, NW Holdings issued and sold 441,034 shares of common stock pursuant to the ATM equity program resulting in cash proceeds of \$22.2 million, net of fees and commissions paid to agents of \$0.3 million. As of March 31, 2026, \$75.2 million of equity remained available for issuance under the ATM equity program.

6. REVENUE

The following tables present disaggregated revenue of NW Holdings:

	Three Months Ended March 31,				
<i>In thousands</i>	NW Natural	SiEnergy ⁽¹⁾	NWN Water	Other	NW Holdings
2026					
Natural gas sales	\$ 399,119	\$ 28,376	\$ —	\$ 1,378	\$ 428,873
Gas storage revenue, net	4,365	—	—	—	4,365
Asset management revenue, net	1,747	—	—	—	1,747
Water and wastewater revenue	—	—	14,969	—	14,969
Gas appliance retail revenue	1,309	—	—	—	1,309
Renewable natural gas sales	—	—	—	8,465	8,465
Other revenue	876	—	—	—	876
Revenue from contracts with customers	407,416	28,376	14,969	9,843	460,604
Alternative revenue	22,027	3,319	—	—	25,346
Leasing revenue	4,453	—	—	—	4,453
Total operating revenues	<u>\$ 433,896</u>	<u>\$ 31,695</u>	<u>\$ 14,969</u>	<u>\$ 9,843</u>	<u>\$ 490,403</u>
2025					
Natural gas sales	\$ 430,249	\$ 22,327	\$ —	\$ 1,170	\$ 453,746
Gas storage revenue, net	4,616	—	—	—	4,616
Asset management revenue, net	1,749	—	—	—	1,749
Water and wastewater revenue	—	—	13,909	—	13,909
Gas appliance retail revenue	1,372	—	—	—	1,372
Renewable natural gas sales	—	—	—	7,726	7,726
Other revenue	952	—	—	—	952
Revenue from contracts with customers	438,938	22,327	13,909	8,896	484,070
Alternative revenue	5,569	339	—	—	5,908
Leasing revenue	4,306	—	—	—	4,306
Total operating revenues	<u>\$ 448,813</u>	<u>\$ 22,666</u>	<u>\$ 13,909</u>	<u>\$ 8,896</u>	<u>\$ 494,284</u>

⁽¹⁾ SiEnergy was acquired by NW Holdings on January 7, 2025. Results for the period from January 7, 2025 to March 31, 2025 are presented in the table above. Prior to January 7, 2025, NW Holdings did not operate any assets that fall within its SiEnergy segment.

Natural gas sales represent the majority of NW Holdings' revenue and is recognized when the obligation to customers is satisfied and in the amount expected to be received in exchange for transferring goods or providing services. Revenue from contracts with customers contains one performance obligation that is generally satisfied over time as the customer receives the natural gas. The transaction price is determined by a set price agreed upon in the contract or dependent on regulatory tariffs. Customer accounts are settled on a monthly basis or paid at time of sale. Based on historical experience, it is probable that we will collect substantially all of the consideration to which we are entitled. We evaluated the probability of collection in accordance with the current expected credit losses standard.

NW Holdings and NW Natural do not have any material contract assets, as net accounts receivable and accrued unbilled revenue balances are unconditional and only involve the passage of time until such balances are billed and collected. NW Holdings and NW Natural do not have any material contract liabilities.

Revenue taxes are included in operating revenues with an equal and offsetting expense recognized in operating expenses in the consolidated statements of comprehensive income. Revenue-based taxes are primarily franchise taxes, which are collected from utility customers and remitted to taxing authorities.

Components of Revenue

The components of NW Holdings' revenue, by reportable business segment, are explained below.

NW Natural

Natural Gas Sales

NW Natural's primary source of revenue is providing natural gas to customers in the NW Natural service territory, which includes residential, commercial, industrial and transportation customers. NW Natural revenue is generally recognized over time upon

delivery of the gas commodity or service to the customer, and the amount of consideration received and recognized as revenue is dependent on the Oregon and Washington tariffs. There is no right of return or warranty for services provided. Revenues include firm and interruptible sales and transportation services, franchise taxes recovered from the customer, late payment fees, service fees, and accruals for gas delivered but not yet billed (accrued unbilled revenue). The accrued unbilled revenue balance is based on estimates of deliveries during the period from the last meter reading and management judgment is required for a number of factors used in this calculation, including customer use and weather factors.

Customer accounts are to be paid in full each month and there is no significant financing component for this source of revenue. Due to the election of the right to invoice practical expedient, we do not disclose the value of unsatisfied performance obligations.

Gas Storage Revenue

NW Natural's gas storage revenue includes gas storage activity, which includes Interstate Storage Services used to store natural gas for customers. Gas storage revenue is generally recognized over time as the gas storage service is provided to the customer and the amount of consideration received and recognized as revenue is dependent on set rates defined per the storage agreements. Noncash consideration in the form of dekatherms of natural gas is received as consideration for providing gas injection services to gas storage customers. This noncash consideration is measured at fair value using the average spot rate. Customer accounts are generally paid in full each month, and there is no right of return or warranty for services provided. Revenues include firm and interruptible storage services, net of the profit sharing amount refunded to NW Natural customers.

Asset Management Revenue

Revenues include the optimization of storage assets and pipeline capacity by a third-party and are provided net of the profit sharing amount refunded to NW Natural customers. Certain asset management revenues received are recognized over time using a straight-line approach over the term of each contract, and the amount of consideration received and recognized as revenue is dependent on a variable pricing model. Variable revenues earned above guaranteed amounts are estimated and recognized at the end of each period using the most likely amount approach. Additionally, other asset management revenues may be based on a fixed rate. Generally, asset management accounts are settled on a monthly basis.

As of March 31, 2026, unrecognized revenue for the fixed component of the transaction price related to gas storage and asset management revenue was approximately \$112.3 million. Of this amount, approximately \$23.0 million will be recognized during the remainder of 2026, \$21.8 million in 2027, \$16.8 million in 2028, \$16.8 million in 2029, \$16.3 million in 2030 and \$17.6 million thereafter. The amounts presented here are calculated using current contracted rates.

Gas Appliance Retail Revenue

NW Natural owns and operates an appliance store that is open to the public, where customers can purchase natural gas home appliances. Revenue from the sale of appliances is recognized at the point in time in which the appliance is transferred to the third party responsible for delivery and installation services and when the customer has legal title to the appliance. It is required that the sale be paid for in full prior to transfer of legal title. The amount of consideration received and recognized as revenue varies with changes in marketing incentives and discounts offered to customers.

Alternative Revenue

Weather normalization (WARM) and decoupling mechanisms are considered to be alternative revenue programs. Alternative revenue programs are considered to be contracts between NW Natural and its regulator and are excluded from revenue from contracts with customers.

Leasing Revenue

Leasing revenue primarily consists of revenues from NW Natural's North Mist Storage contract with PGE (Portland General Electric) in support of PGE's gas-fired electric power generation facilities under an initial 30-year contract with options to extend, totaling up to an additional 50 years upon mutual agreement of the parties. The facility is accounted for as a sales-type lease and qualifies for regulatory accounting deferral treatment. The investment is included in rate base under an established cost-of-service tariff schedule, with revenues recognized according to the tariff schedule and profit upon commencement was deferred and will be amortized over the lease term.

Billing rates under the cost-of-service tariff will be updated annually to reflect current information including depreciable asset levels, forecasted operating expenses, and the results of regulatory proceedings, as applicable, and revenue received under this agreement is recognized as operating revenue on the consolidated statements of comprehensive income. There are no variable payments or residual value guarantees. The lease does not contain an option to purchase the underlying assets. NW Natural also maintains other immaterial sales type leases that are subject to an OPUC approved rate schedule. None of these other leases have variable payments or residual value guarantees and no significant selling profit upon lease commencement.

NW Natural also maintains a sales-type lease for specialized compressor facilities to provide high pressure compressed natural gas (CNG) services. Lease payments are outlined in an OPUC-approved rate schedule over a 10-year term. There are no variable payments or residual value guarantees. The selling profit computed upon lease commencement was not significant.

Leasing revenue also contains rental revenue from small leases of property owned by NW Natural to third parties. The majority of these transactions are accounted for as operating leases and the revenue is recognized over the term of the lease agreement. Lease revenue is excluded from revenue from contracts with customers.

The components of lease revenue at NW Holdings and NW Natural were as follows:

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
NW Natural:		
Lease revenue		
Operating leases	\$ 19	\$ 21
Sales-type leases	4,434	4,285
Total lease revenue	<u>\$ 4,453</u>	<u>\$ 4,306</u>

SiEnergy

SiEnergy's primary source of revenue is providing natural gas to customers in the SiEnergy service territory, which includes residential and commercial customers. SiEnergy revenue is generally recognized over time upon delivery of the gas commodity or service to the customer, and the amount of consideration received and recognized as revenue is dependent on the Texas tariff. There is no right of return or warranty for services provided. The accrued unbilled revenue balance is based on estimates of deliveries during the period from the last meter reading and management judgment is required for a number of factors used in this calculation, including customer use and weather factors.

Customer accounts are to be paid in full each month and there is no significant financing component for this source of revenue. Due to the election of the right to invoice practical expedient, we do not disclose the value of unsatisfied performance obligations.

Alternative Revenue

Weather normalization (WNA) is considered to be an alternative revenue program. An alternative revenue program is considered to be a contract between SiEnergy and its regulators and is excluded from revenue from contracts with customers.

NWN Water

NWN Water provides water and wastewater services to customers. Water and wastewater service revenue is generally recognized over time upon delivery of the water commodity or service to the customer, and the amount of consideration received and recognized as revenue is dependent on the tariffs established in the states we operate. There is no right of return or warranty for services provided.

Customer accounts are to be paid in full each month, bi-monthly, or quarterly and as such, there is no significant financing component for this source of revenue. Due to the election of the right to invoice practical expedient, we do not disclose the value of unsatisfied performance obligations.

Other

Renewable Natural Gas Sales

NWN Renewables is an unregulated subsidiary of NW Holdings established to pursue investments in renewable natural gas (RNG) activities. NWN Renewables' primary source of revenue is from the sale of RNG under long-term contracts. RNG revenue is generally recognized over time upon delivery of the gas commodity to the customer at the designated delivery point and the amount of consideration received and recognized as revenue is dependent on a variable pricing model defined per the contract. Customer accounts are to be paid in full each month and as such, there is no significant financing component for this source of revenue. Due to the election of the right to invoice practical expedient, we do not disclose the value of unsatisfied performance obligations.

7. LEASES

Lease Expense

Operating Leases

We have operating leases for land, buildings and equipment. Our primary lease is for NW Natural's headquarters and operations center. Our leases have remaining lease terms of 2 months to 14 years. Many of our lease agreements include options to extend the lease, which we do not include in our minimum lease terms unless they are reasonably certain to be exercised. Short-term leases with a term of 12 months or less are not recorded on the balance sheet. As most of our leases do not provide an implicit rate and are entered into by NW Natural, we use an estimated discount rate representing the rate we would have incurred to finance the funds necessary to purchase the leased asset and is based on information available at the lease commencement date in determining the present value of lease payments.

The components of lease expense, a portion of which is capitalized, were as follows:

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
NW Holdings:		
Operating lease expense	\$ 2,252	\$ 2,111
Short-term lease expense	218	189
NW Natural:		
Operating lease expense	\$ 1,954	\$ 1,867
Short-term lease expense	120	189

The Company's lease arrangements are described in Note 7 to the consolidated financial statements included in the Company's Annual Report on Form 10-K, which should be read in conjunction with this Form 10-Q. There have been no material changes to the Company's lease portfolio during the current quarter.

The weighted-average remaining lease terms and weighted-average discount rates for the operating leases were as follows:

<i>In thousands</i>	March 31,		December 31,
	2026	2025	2025
NW Natural:			
Weighted-average remaining lease term (years)	14.0	15.0	14.3
Weighted-average discount rate	7.3 %	7.3 %	7.3 %

Supplemental Cash Flow

Supplemental cash flow information related to leases was as follows:

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
NW Holdings:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 2,107	\$ 1,918
Right of use assets obtained in exchange for lease obligations		
Operating leases	\$ 978	\$ 2,647
NW Natural:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,931	\$ 1,861
Right of use assets obtained in exchange for lease obligations		
Operating leases	\$ 250	\$ 346

8. STOCK-BASED COMPENSATION

Stock-based compensation plans are designed to promote stock ownership in NW Holdings by employees, including officers. These compensation plans include a Long Term Incentive Plan (LTIP) and an Employee Stock Purchase Plan (ESPP). For additional information on stock-based compensation plans, see Note 8 in the 2025 Form 10-K and the updates provided below.

Long Term Incentive Plan

Performance Shares

LTIP performance shares incorporate a combination of market, performance, and service-based factors. During the three months ended March 31, 2026, the final performance factor under the 2024-2026 LTIP was approved and 52,178 performance-based shares were granted under the 2024-2026 LTIP for accounting purposes. As such, NW Natural began recognizing compensation expense.

In February 2025, LTIP shares were awarded to participants; however, the agreement allows for one of the performance factors to remain variable until the first quarter of the third year of the award period. As the performance factor will not be approved until the first quarter of 2027, there is not a mutual understanding of the awards' key terms and conditions between NW Holdings and the participants as of March 31, 2026, and therefore, no expense was recognized for the 2025-2027 award. NW Holdings will

calculate the grant date fair value and the applicable subsidiaries of NW Holdings will recognize expense over the remaining service period for each award once the final performance factor has been approved.

In February 2026, LTIP shares were awarded to certain participants; however, the agreement allows for one of the performance factors to remain variable until the first quarter of the third year of the award period. As the performance factor will not be approved until the first quarter of 2028, there is not a mutual understanding of the awards' key terms and conditions between NW Holdings and the participants as of March 31, 2026, and therefore, no expense was recognized for the 2026-2028 award. NW Holdings will calculate the grant date fair value and the applicable subsidiaries of NW Holdings will recognize expense over the remaining service period for each award once the final performance factor has been approved.

For the 2025-2027 and 2026-2028 LTIP awards, share payouts range from a threshold of 0% to a maximum of 200% based on achievement of pre-established goals. The performance criteria for the 2025-2027 and 2026-2028 performance shares consists of a three-year Return on Invested Capital (ROIC) threshold that must be satisfied and a cumulative EPS factor, which can be modified by a total shareholder return factor (TSR modifier) relative to the performance of peer group companies over the performance period of three years for each respective award. If the targets were achieved for the 2025-2027 and 2026-2028 awards, NW Holdings would grant for accounting purposes 73,640 and 65,240 shares in the first quarters of 2027 and 2028, respectively.

In February 2025 and 2026, 6,135 and 8,675 LTIP shares were awarded to certain participants, respectively. The LTIP awards share payouts range from a threshold of 0% to a maximum of 200% based on achievement of pre-established goals. The performance criteria for the 2025-2027 and 2026-2028 performance shares consist of a three-year ROIC threshold that must be satisfied and a 3-year cumulative EBITDA, which can be modified by a TSR modifier relative to the performance peer group companies over the period group. During the three months ended March 31, 2026, there was mutual understanding of all key terms of the awards. As such, NW Holdings recognized compensation expense.

As of March 31, 2026, there was \$1.5 million of unrecognized compensation, which is expected to be recognized through 2028.

Restricted Stock Units

During the three months ended March 31, 2026, 59,349 RSUs were granted under the LTIP with a weighted-average grant date fair value of \$49.99 per share. Generally, the RSUs awarded are forfeitable and include a performance-based threshold as well as a vesting period of three years from the grant date. The majority of our RSU grants obligate NW Holdings, upon vesting, to issue the RSU holder one share of common stock. The grant may also include a cash payment equal to the total amount of dividends paid per share between the grant date and vesting date of that portion of the RSU depending on the structure of the award agreement. The fair value of an RSU is equal to the closing market price of NW Holdings' common stock on the grant date.

As of March 31, 2026, there was \$5.5 million of unrecognized compensation cost from grants of RSUs, which is expected to be recognized over a period extending through 2029.

9. DEBT

The nature and terms of our debt instruments and credit facilities are described in detail in Note 9 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025. Other than as described below, there were no other material changes in the terms of our debt instruments during the three months ended March 31, 2026.

Short-Term Debt

NW Holdings' short-term debt consisted of the following:

<i>In millions</i>	March 31, 2026		March 31, 2025		December 31, 2025	
	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾
Commercial Paper Borrowings - NW Holdings ⁽²⁾	\$ 171.3	4.1 %	\$ —	— %	\$ 162.0	4.1 %
Commercial Paper Borrowings - NW Natural	—	— %	—	— %	10.0	4.0 %
NW Holdings Credit Agreement Loans	—	— %	81.1	5.5 %	—	— %
Total short-term debt	<u>\$ 171.3</u>		<u>\$ 81.1</u>		<u>\$ 172.0</u>	

⁽¹⁾ Weighted average interest rate on outstanding short-term debt

⁽²⁾ NW Holdings initiated a commercial paper program in March 2025.

Long-Term Debt

NW Holdings' long-term debt consisted of the following:

<i>In millions</i>	March 31, 2026		March 31, 2025		December 31, 2025	
	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽²⁾
NW Natural first mortgage bonds	\$ 1,544.7	4.7 %	\$ 1,374.7	4.6 %	\$ 1,544.7	4.7 %
SiEnergy term loan ⁽³⁾	—	— %	149.6	6.1 %	—	— %
SiEnergy secured senior notes	185.0	5.6 %	—	— %	185.0	5.6 %
NWN Water term loan	55.0	4.7 %	55.0	4.7 %	55.0	4.7 %
Other water debt	3.9		5.0		4.0	
NW Holdings unsecured senior bonds	285.0	5.7 %	285.0	5.7 %	285.0	5.7 %
NW Holdings term loan	50.0	4.7 %	50.0	5.3 %	50.0	5.2 %
NW Holdings junior subordinated debentures	325.0	7.0 %	325.0	7.0 %	325.0	7.0 %
Long-term debt, gross	2,448.6		2,244.3		2,448.7	
Less: unamortized debt issuance costs	15.5		14.4		15.9	
Less: current maturities	160.7		36.8		160.6	
Total long-term debt	<u>\$ 2,272.4</u>		<u>\$ 2,193.1</u>		<u>\$ 2,272.2</u>	

⁽¹⁾ Weighted average interest rate for the three months ended March 31, 2026 and March 31, 2025

⁽²⁾ Weighted average interest rate for the year ended December 31, 2025

⁽³⁾ On January 7, 2025, NW Holdings acquired SiEnergy. SiEnergy's subsidiary, Si Investment Co., had this existing term loan outstanding at the date of acquisition. In August 2025, the associated facilities were terminated and are no longer available for financing.

NW Natural's first mortgage bonds (FMBs) have maturity dates ranging from 2026 through 2055 and interest rates ranging from 2.82% to 7.85%. SiEnergy's secured senior notes have maturity dates ranging from 2030 through 2055 and interest rates ranging from 4.86% to 6.04%. NW Holdings' unsecured senior bonds have maturity dates ranging from 2028 through 2034 and interest rates ranging from 5.52% to 5.86%. NW Holdings' Junior Subordinated Debentures has an interest rate of 7.0% and a maturity date of 2055. At March 31, 2026, NW Holdings and NW Natural had long-term debt outstanding of \$2,433.1 million and \$1,535.1 million, respectively, which included \$15.5 million and \$9.6 million of unamortized debt issuance costs at NW Holdings and NW Natural, respectively. Debt of \$160.7 million is scheduled to mature in the next twelve months, which consists of \$55.0 million at NW Natural, \$55.7 million at NWN Water, and \$50.0 million at NW Holdings.

Summary of Significant Debt Issuances

There were no new debt issuances in the first quarter of 2026 at either NW Natural or NW Holdings.

Summary of Significant Debt Extinguishments and Repayments

There were no significant debt retirements in the first quarter of 2026 at either NW Natural or NW Holdings.

Fair Value of Long-Term Debt

NW Holdings' and NW Natural's outstanding debt does not trade in active markets. The fair value of debt is estimated using the value of outstanding debt at natural gas distribution companies with similar credit ratings, terms, and remaining maturities to NW Holdings' and NW Natural's debt that actively trade in public markets. These valuations are based on Level 2 inputs as defined in the fair value hierarchy. See Note 2 in the 2025 Form 10-K for a description of the fair value hierarchy.

The following table provides an estimate of the fair value of long-term debt, including current maturities of long-term debt, using market prices in effect on the valuation date:

<i>In millions</i>	March 31,		December 31,	
	2026	2025	2026	2025
NW Holdings:				
Gross long-term debt	\$ 2,448.6	\$ 2,244.3	\$ 2,448.7	
Unamortized debt issuance costs	(15.5)	(14.4)	(15.9)	
Carrying amount	\$ 2,433.1	\$ 2,229.9	\$ 2,432.8	
Estimated fair value ⁽¹⁾	\$ 2,281.4	\$ 2,069.8	\$ 2,317.1	
NW Natural:				
Gross long-term debt	\$ 1,544.7	\$ 1,374.7	\$ 1,544.7	
Unamortized debt issuance costs	(9.6)	(9.1)	(9.8)	
Carrying amount	\$ 1,535.1	\$ 1,365.6	\$ 1,534.9	
Estimated fair value ⁽¹⁾	\$ 1,360.8	\$ 1,198.7	\$ 1,383.1	

⁽¹⁾ Estimated fair value does not include unamortized debt issuance costs.

10. PENSION AND OTHER POSTRETIREMENT BENEFIT COSTS

NW Natural maintains a qualified non-contributory defined benefit pension plan (Pension Plan), non-qualified supplemental pension plans for eligible executive officers and other key employees, and other postretirement employee benefit plans. NW Natural also has a qualified defined contribution plan (Retirement K Savings Plan) for all eligible employees. The Pension Plan and Retirement K Savings Plan have plan assets, which are held in qualified trusts to fund retirement benefits.

The service cost component of net periodic benefit cost for NW Natural pension and other postretirement benefit plans is recognized in operations and maintenance expense in the consolidated statements of comprehensive income. The other non-service cost components are recognized in other income (expense), net in the consolidated statements of comprehensive income.

The following table provides the components of net periodic benefit cost (credit) for the pension and other postretirement benefit plans:

<i>In thousands</i>	Three Months Ended March 31,			
	Pension Benefits		Postretirement Benefits	
	2026	2025	2026	2025
Service cost	\$ 855	\$ 885	\$ 26	\$ 27
Interest cost	5,167	5,410	282	288
Expected return on plan assets	(5,591)	(5,433)	—	—
Amortization of net actuarial loss	2,295	2,444	63	20
Net periodic benefit cost	2,726	3,306	371	335
Amount allocated to construction	(405)	(434)	(11)	(11)
Net periodic benefit cost charged to expense	2,321	2,872	360	324
Amortization of regulatory balancing account	2,801	2,801	—	—
Net amount charged to expense	\$ 5,122	\$ 5,673	\$ 360	\$ 324

Net periodic benefit costs are reduced by amounts capitalized to NW Natural plant. In addition, net periodic benefit costs were recorded to a regulatory balancing account as approved by the OPUC and amortized accordingly.

The following table presents amounts recognized in accumulated other comprehensive loss (AOCL) and the changes in AOCL related to non-qualified employee benefit plans:

<i>In thousands</i>	Three Months Ended March 31,	
	2026	2025
Beginning balance	\$ (4,705)	\$ (7,052)
Amounts reclassified from AOCL:		
Amortization of actuarial losses	124	200
Total reclassifications before tax	124	200
Tax benefit	(33)	(25)
Total reclassifications for the period	91	175
Ending balance	<u>\$ (4,614)</u>	<u>\$ (6,877)</u>

Employer Contributions to Company-Sponsored Defined Benefit Pension Plans

NW Natural made \$2.9 million of cash contributions to its qualified defined benefit pension plans during the three months ended March 31, 2026 and \$2.6 million cash contributions during the three months ended March 31, 2025.

Defined Contribution Plan

NW Natural's Retirement K Savings Plan is a qualified defined contribution plan under Internal Revenue Code Sections 401(a) and 401(k). NW Natural contributions totaled \$4.3 million and \$4.0 million for the three months ended March 31, 2026 and 2025, respectively.

See Note 10 in the 2025 Form 10-K for more information concerning these retirement and other postretirement benefit plans.

11. INCOME TAX

An estimate of annual income tax expense is made each interim period using estimates for annual pre-tax income, regulatory flow-through adjustments, tax credits, and other items. The estimated annual effective tax rate is applied to year-to-date, pre-tax income to determine income tax expense for the interim period consistent with the annual estimate. Discrete events are recorded in the interim period in which they occur or become known.

The effective income tax rate varied from the federal statutory rate due to the following:

<i>In thousands</i>	Three Months Ended March 31,			
	NW Holdings		NW Natural	
	2026	2025	2026	2025
Income tax at statutory rate (federal)	\$ 27,306	\$ 25,713	\$ 26,440	\$ 26,608
State income tax	8,830	9,980	9,247	10,202
Increase (decrease):				
Differences required to be flowed-through by regulatory commissions	(1,954)	(1,668)	(1,954)	(1,668)
Other, net	(1,643)	502	(1,578)	522
Total provision for income taxes	<u>\$ 32,539</u>	<u>\$ 34,527</u>	<u>\$ 32,155</u>	<u>\$ 35,664</u>
Effective income tax rate	25.0 %	28.2 %	25.5 %	28.1 %

The NW Holdings effective income tax rate for the three months ended March 31, 2026 compared to the same period in 2025, decreased due to lower state income tax rates in the SiEnergy and NW Natural Water segments. In addition, both NW Holdings and NW Natural effective tax rates benefited from lower non-deductible executive compensation expense and higher AFUDC equity income. For further detail on income taxes and effective tax rates, refer to Note 11 in the 2025 Form 10-K.

The IRS Compliance Assurance Process (CAP) examination of the 2024 tax year was ongoing during the first quarter of 2026. The 2025 and 2026 tax years are subject to examination under CAP.

12. PROPERTY, PLANT, AND EQUIPMENT

The following table sets forth the major classifications of property, plant, and equipment and accumulated depreciation:

<i>In thousands</i>	March 31,		December 31,
	2026	2025	2025
NW Holdings:			
Plant in service	\$ 5,509,029	\$ 5,091,181	\$ 5,468,170
Construction work in progress	213,327	176,882	172,265
Less: Accumulated depreciation	1,300,897	1,266,222	1,288,422
Total property, plant, and equipment, net	<u>\$ 4,421,459</u>	<u>\$ 4,001,841</u>	<u>\$ 4,352,013</u>
Capital expenditures in accrued liabilities	\$ 51,572	\$ 32,042	\$ 57,762
NW Natural:			
Plant in service	\$ 4,891,650	\$ 4,634,047	\$ 4,879,816
Construction work in progress	155,212	146,433	120,513
Less: Accumulated depreciation	1,257,950	1,237,907	1,256,289
Total property, plant, and equipment, net	<u>\$ 3,788,912</u>	<u>\$ 3,542,573</u>	<u>\$ 3,744,040</u>
Capital expenditures in accrued liabilities	\$ 34,917	\$ 23,457	\$ 33,582

13. INVESTMENTS

Investments include gas reserves, financial investments in life insurance policies, and equity method investments. The following table summarizes other investments:

<i>In thousands</i>	NW Holdings			NW Natural		
	March 31,	December 31,	December 31,	March 31,	December 31,	December 31,
	2026	2025	2025	2026	2025	2025
Investments in life insurance policies	\$ 34,032	\$ 45,936	\$ 45,606	\$ 34,032	\$ 45,936	\$ 45,606
Investments in gas reserves, non-current	14,789	17,500	15,443	14,789	17,500	15,443
Investment in unconsolidated affiliates	20,620	19,227	19,627	—	—	—
Total other investments	<u>\$ 69,441</u>	<u>\$ 82,663</u>	<u>\$ 80,676</u>	<u>\$ 48,821</u>	<u>\$ 63,436</u>	<u>\$ 61,049</u>

Investment in Life Insurance Policies

Other investments include financial investments in life insurance policies, which are accounted for at cash surrender value, net of policy loans. See Note 13 in the 2025 Form 10-K.

NW Natural Gas Reserves

NW Natural has invested \$188 million through the gas reserves program in the Jonah Field located in Wyoming as of March 31, 2026. Gas reserves are stated at cost, net of regulatory amortization, with the associated deferred tax benefits of \$1.5 million, \$2.6 million, and \$1.8 million, which are recorded as liabilities in the March 31, 2026, March 31, 2025, and December 31, 2025 consolidated balance sheets, respectively. NW Natural's investment is included in NW Holdings' and NW Natural's consolidated balance sheets under other current assets and other investments (non-current portion) with the maximum loss exposure limited to the investment balance. The amount of gas reserves included in other current assets was \$2.6 million, \$2.7 million, and \$2.6 million as of March 31, 2026, March 31, 2025, and December 31, 2025, respectively. See Note 13 in the 2025 Form 10-K.

Investments in Unconsolidated Affiliates

In December 2021, NWN Water purchased a 37.3% ownership stake in Avion Water Company, Inc. (Avion Water), an investor-owned water utility for \$14.5 million. NWN Water subsequently increased its ownership stake in Avion Water as follows:

<i>In millions</i>		Amount	Ownership %
July 2022	\$	1.0	40.3 %
June 2023	\$	1.0	43.1 %
January 2024	\$	1.0	45.6 %
February 2025	\$	1.0	47.9 %
January 2026	\$	1.0	50.0 %

Avion Water operates in Bend, Oregon and the surrounding communities, serving approximately 17,000 connections and employing 40 people. The carrying value of the equity method investment is \$10.1 million higher than the underlying equity in the net assets of the investee at March 31, 2026 due to equity method goodwill. NWN Water's share in the earnings of Avion Water is included in other income (expense), net.

14. BUSINESS COMBINATIONS

2025 Business Combinations

SiEnergy Acquisition

On January 7, 2025, NW Holdings acquired 100% of the outstanding membership interests of SiEnergy Operating, LLC from SiEnergy Capital Partners, LLC, an affiliate of Ridgewood Infrastructure. Total consideration included \$271.1 million in cash and the assumption of \$156.1 million of outstanding debt. SiEnergy is a regulated natural gas distribution utility and a transmission utility. Excluding Pines Holdings, which was acquired June 2, 2025 and is described further below, SiEnergy serves approximately 85,000 customers in the greater metropolitan areas of Houston, Dallas, and Austin, Texas.

The SiEnergy acquisition met the criteria of a business combination, and as such an allocation of the consideration to the acquired net assets based on their estimated fair value as of the acquisition date was performed. In accordance with U.S. GAAP, the fair value determination involved management judgment in determining the significant estimates and assumptions used for net assets associated with SiEnergy. This allocation was finalized in the quarter ended March 31, 2026. Acquisition costs totaling \$5.3 million in the first quarter of 2025 were expensed as incurred. Acquisition costs related to SiEnergy are included in operations and maintenance expenses in the consolidated statements of comprehensive income. The transaction aligns with NW Holdings' growth strategy and further expands the service territory in Texas.

Goodwill of \$171.1 million was recognized from this acquisition. The goodwill recognized is attributable to SiEnergy's natural gas utility service territory, experienced workforce, and the strategic benefits expected from growth in its service territory. No intangible assets aside from goodwill were recognized. The amount of goodwill that is expected to be deductible for income tax purposes is \$179.9 million.

The following table summarizes the consideration transferred and the amounts of identified assets acquired and liabilities assumed as the acquisition date:

In thousands

Fair value of consideration transferred:		
Cash	\$	271,087
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Current assets	\$	16,770
Property, plant and equipment		262,697
Non-current assets		3,872
Current liabilities		(24,962)
Non-current liabilities		(158,397)
Total identifiable net assets	\$	99,980
Goodwill	\$	171,107

Hughes Gas Resources, Inc. (Pines Holdings, Inc.) Acquisition

On June 2, 2025, a subsidiary of SiEnergy Operating, LLC (SiEnergy), a wholly owned subsidiary of NW Holdings, acquired 100% of the outstanding equity interests of Hughes Gas Resources, Inc. from EPCOR USA Inc. for total consideration of \$60.4 million in cash. Hughes serves approximately 8,000 customers in 12 communities northeast of Houston, Texas. Hughes further expands SiEnergy's regulated gas utility business in the southern United States. Following the closing of the acquisition, Hughes was rebranded as Pines Holdings, Inc. (Pines).

The Pines acquisition met the criteria of a business combination, and as such, a preliminary allocation of the consideration to the acquired net assets based on their estimated fair value as of the acquisition date was performed. In accordance with U.S. GAAP, the fair value determination involves management judgment in determining the significant estimates and assumptions used for net assets associated with Pines. This allocation is considered preliminary as of March 31, 2026, as facts and circumstances that existed as of the acquisition date may be discovered as we continue to integrate Pines. As a result, subsequent adjustments to the preliminary valuation of tangible assets, regulatory assets and liabilities including asset removal costs, contract assets and liabilities, tax positions, and goodwill may be required. Any such adjustments are to be completed within the one-year measurement period.

Preliminary goodwill of \$15.1 million was recognized from this acquisition. The goodwill recognized is attributable to Pines' natural gas utility service territory, experienced workforce, and the strategic benefits expected from growth in the service territory. No intangible assets aside from goodwill were recognized. There is no goodwill expected to be deductible for tax purposes.

The following table summarizes the consideration transferred and the amounts of identified assets acquired and liabilities assumed as of the acquisition date:

In thousands

Fair value of consideration transferred:		
Cash	\$	60,436
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Current assets	\$	2,032
Property, plant and equipment		43,497
Non-current assets		1,382
Current liabilities		(1,462)
Non-current liabilities		(105)
Total identifiable net assets	\$	45,344
Goodwill	\$	15,092

The table below presents the unaudited pro forma revenues and earnings of NW Holdings as if the SiEnergy and Pines acquisitions had occurred as of January 1, 2025:

<i>In thousands</i>	Three Months Ended March 31,		Three Months Ended March 31,	
	2026		2025	
Operating revenues	\$	490,403	\$	500,064
Net income	\$	97,489	\$	91,671

The unaudited pro forma results presented above are for informational purposes only and are not necessarily indicative of the results that would have been achieved had the acquisition been completed on January 1, 2025, nor are they indicative of future results of operations of the combined company. Pro forma net income for the three months ended March 31, 2025 were adjusted to reflect the following:

- acquisition costs of \$5.3 million incurred by NW Holdings' in the first quarter of 2025 were removed from the three months ended March 31, 2025 pro forma net income;
- the capital structure for NW Holdings was modified to reflect the Junior Subordinated Debentures issued in March 2025 to represent the ongoing capital structure and reflects the issuance to have occurred on January first of 2025;
- the results of SiEnergy and Pines were adjusted to represent results as though they were owned as of January first of 2025; and
- all adjustments were net tax effected using a statutory tax rate of 26.5%

The amount of SiEnergy and Pines revenues included in NW Holdings' consolidated statements of comprehensive income was \$31.7 million and \$22.7 million for the three months ended March 31, 2026 and 2025, respectively.

The amount of SiEnergy and Pines net income included in NW Holdings' consolidated statements of comprehensive income was \$9.1 million and \$5.5 million for the three months ended March 31, 2026 and 2025, respectively.

Other 2025 Business Combinations

During the fourth quarter of 2025, NW Water and its subsidiaries acquired the assets of Inline Utilities, LLC ("Inline") located in Texas, qualifying as a business combination. The fair value of the consideration transferred for this acquisition was \$7.2 million, most of which was allocated to property, plant and equipment. As of March 31, 2026, preliminary goodwill of \$1.0 million was recognized from this acquisition, including adjustments associated with deferred income taxes. The amount of goodwill that is expected to be deductible for income tax purposes is \$4.3 million.

During the first quarter of 2025, NWN Water and its subsidiaries acquired the assets of two businesses qualifying as business combinations. The aggregate fair value of the consideration transferred for these acquisitions was \$1.6 million, most of which was allocated to property, plant and equipment. These transactions align with NW Holdings' water and wastewater sector strategy as it continues to expand its water and wastewater service territories and included:

- Everett Square, Inc. in Texas
- ES Water Utility Consolidators, Inc. in Texas

Goodwill

NW Holdings allocates goodwill to reporting units based on the expected benefit from the business combination. We perform an annual impairment assessment of goodwill at the reporting unit level, or more frequently if events and circumstances indicate that goodwill might be impaired. An impairment loss is recognized if the carrying value of a reporting unit's goodwill exceeds its fair value.

As a result of all acquisitions completed, goodwill totaled \$371.3 million, \$354.5 million, and \$370.8 million as of March 31, 2026, March 31, 2025, and December 31, 2025, respectively, and is attributable to gas utility, water and wastewater acquisitions. Goodwill included in the SiEnergy segment category totaled \$186.2 million, \$171.0 million, and \$185.7 million as of March 31, 2026, March 31, 2025, and December 31, 2025, respectively. Goodwill included in the NWN Water segment category totaled \$185.1 million, \$183.5 million, and \$185.1 million as of March 31, 2026, March 31, 2025, and December 31, 2025, respectively. The annual impairment assessment of goodwill occurs in the fourth quarter of each year. There have been no impairments recognized during the three months ended March 31, 2026.

15. DERIVATIVE INSTRUMENTS

NW Natural

NW Natural enters into financial derivative contracts primarily to hedge a portion of the NW Natural segment's natural gas sales requirements. These contracts include swaps and forward contracts. These derivative financial instruments are primarily used to manage the price variability of natural gas, interest rates, and foreign currency. A small portion of NW Natural's derivative hedging strategy involves hedging interest rates and foreign currency forward contracts.

NW Natural enters into these financial derivatives, up to prescribed limits, primarily to hedge price variability related to term physical gas supply contracts, and variable rate debt and for pipeline demand charges paid in Canadian dollars.

In the normal course of business, NW Natural also enters into indexed-price physical forward natural gas commodity purchase contracts and options to meet the requirements of NW Natural customers. These contracts qualify for regulatory deferral accounting treatment.

Notional Amounts

The following table presents the absolute notional amounts related to open positions on NW Natural derivative instruments:

<i>In thousands</i>	March 31,		December 31,
	2026	2025	2025
Natural gas (in therms):			
Financial	544,690	611,200	757,895
Physical	487,775	401,750	692,275
Foreign exchange (in dollars)	\$ 5,853	\$ 10,132	\$ 8,596

Purchased Gas Adjustment (PGA)

Rates and hedging approaches vary between states due to different rate structures and hedging mechanisms. Under the PGA mechanism in Oregon, derivatives entered into by NW Natural for the procurement or hedging of natural gas for future gas years generally receive regulatory deferral accounting treatment. In general, commodity hedging for the current gas year is completed prior to the start of the gas year, and hedge prices are fully recovered and reflected in the weighted-average cost of gas in the PGA filing. Hedge contracts entered into after the start of the PGA period for the current PGA year are subject to the PGA incentive sharing mechanism in Oregon. Under the PGA mechanism in Washington, NW Natural incorporates a risk-responsive hedging strategy, and receives regulatory deferral accounting treatment for Washington gas hedges.

NW Natural entered the 2025-26 gas year with forecasted sales volume hedged at approximately 79% in total, including 64% in financial hedges and 15% in physical gas supplies. The total hedged for Oregon was approximately 84%, including 69% in financial hedges and 15% in physical gas supplies. The total hedged for Washington was approximately 33%, including 20% in financial hedges and 13% in physical gas supplies.

Unrealized and Realized Gain/Loss

The following table reflects the income statement presentation for the unrealized gains and losses from NW Natural's derivative instruments:

<i>In thousands</i>	Three Months Ended March 31,			
	2026		2025	
	Natural gas commodity	Foreign exchange	Natural gas commodity	Foreign exchange
Benefit (expense) to cost of gas	\$ (15,029)	\$ (114)	\$ 29,697	\$ (24)
Amounts deferred to regulatory accounts on balance sheet	15,029	114	(29,697)	24
Total gain (loss) in pre-tax earnings	\$ —	\$ —	\$ —	\$ —

Unrealized Gain/Loss

Outstanding derivative instruments related to regulated NW Natural operations are deferred in accordance with regulatory accounting standards. The cost of foreign currency forward and natural gas derivative contracts are recognized immediately in the cost of gas; however, costs above or below the amount embedded in the current year PGA are subject to a regulatory deferral tariff and therefore, are recorded as a regulatory asset or liability.

Realized Gain/Loss

NW Natural realized net losses of \$41.5 million and net losses of \$46.2 million for the three months ended March 31, 2026 and 2025, respectively, from the settlement of natural gas financial derivative contracts. Realized gains and losses offset the higher or lower cost of gas purchased, resulting in no incremental amounts to collect or refund to customers.

Credit Risk Management of Financial Derivatives Instruments

No collateral was posted with or by NW Natural counterparties as of March 31, 2026 or 2025. NW Natural attempts to minimize the potential exposure to collateral calls by diversifying counterparties and using credit limits to manage liquidity risk. Counterparties generally allow a certain credit limit threshold based on our credit rating before requiring NW Natural to post collateral against unrealized loss positions. Given NW Natural's credit ratings, counterparty credit limits and portfolio diversification, it was not subject to collateral calls in 2026 or 2025. The collateral call exposure is set forth under credit support agreements, which generally contain credit limits. NW Natural could also be subject to collateral call exposure where it has agreed to provide adequate assurance, which is not specific as to the amount of credit limit allowed but could potentially require additional collateral posting by NW Natural in the event of a material adverse change in NW Natural's ability to perform.

NW Natural's financial derivative instruments are subject to master netting arrangements; however, they are presented on a gross basis in the consolidated balance sheets. NW Natural and its counterparties have the ability to set-off obligations to each other under specified circumstances. Such circumstances may include a defaulting party, a credit change due to a merger affecting either party, or any other termination event.

If netted by its counterparties, NW Natural's physical and financial derivative position would result in an asset of \$2.6 million and a liability of \$58.8 million as of March 31, 2026, an asset of \$2.6 million and a liability of \$31.7 million as of March 31, 2025, and an asset of \$2.8 million and a liability of \$76.1 million as of December 31, 2025.

NW Natural is exposed to derivative credit and liquidity risk primarily through securing fixed-price natural gas commodity swaps and interest rate swaps with financial counterparties. NW Natural utilizes master netting arrangements with International Swaps and Derivatives Association (ISDA) contracts to minimize these risks including ISDA Credit Support Agreements with counterparties based on their credit ratings. Additionally, NW Natural uses counterparty, industry, sector and country diversification to minimize credit risk. In certain cases, NW Natural may require counterparties to post collateral, guarantees, or letters of credit to maintain its minimum credit requirement standards or for liquidity management purposes. See Note 15 in the 2025 Form 10-K for additional information.

Fair Value

In accordance with fair value accounting, NW Natural includes non-performance risk in calculating fair value adjustments. This includes a credit risk adjustment based on the credit spreads of NW Natural counterparties when in an unrealized gain position, or on NW Natural's own credit spread when it is in an unrealized loss position. The inputs in our valuation models include natural gas futures, volatility, credit default swap spreads and interest rates. Additionally, the assessment of non-performance risk is generally derived from the credit default swap market and from bond market credit spreads. The impact of the credit risk adjustment for all financial derivatives outstanding to the fair value calculation was \$0.2 million, which decreased the liability at March 31, 2026. The net fair value was a liability of \$56.2 million, a liability of \$29.1 million, and a liability of \$73.3 million as of March 31, 2026 and 2025, and December 31, 2025, respectively. No Level 3 inputs were used in our derivative valuations during the three months ended March 31, 2026, and 2025. See Note 2 in the 2025 Form 10-K.

NWN Water Interest Rate Swap Agreement

In January 2023, NWN Water entered into an interest rate swap agreement with a major financial institution for \$55.0 million that effectively converted variable-rate debt to a fixed rate of 3.8%. Interest payments made between the effective date and expiration date are hedged by the swap agreement. The interest rate swap agreement will expire in June 2026, along with the variable-rate debt.

Unrealized gains (losses) related to the interest rate swap agreement are recorded in AOCI on the consolidated balance sheet and were immaterial as of March 31, 2026, March 31, 2025, and December 31, 2025. Realized gains or losses occur as a result of monthly swap settlements. Gains of \$0.1 million were reclassified from AOCI to net income during the three months ended March 31, 2025 and were immaterial during the three months ended March 31, 2026. The estimated amount of gains recorded in AOCI as of March 31, 2026 that are expected to be reclassified to net income within the next twelve months is immaterial.

16. COMMITMENTS AND CONTINGENCIES

NWN Renewables is an unregulated subsidiary of NW Holdings established to pursue investments in RNG activities. NWN Renewables, through its subsidiary Ohio Renewables, executed agreements with a subsidiary of EDL, a global producer of sustainable distributed energy, to secure RNG supply from two production facilities that are designed to convert landfill waste gases to RNG. This arrangement consists of a development agreement, an exclusive use agreement, a purchase agreement, and various guarantees.

Under the development agreement, the EDL subsidiary is responsible for the development and construction of the facilities. The first facility was completed and commenced delivery of RNG to Ohio Renewables in September 2024. Upon reaching this milestone, Ohio Renewables paid \$26.0 million to the EDL subsidiary. The second facility was completed and commenced delivery of RNG to Ohio Renewables in December 2024 at which point Ohio Renewables made an additional payment of \$25.4 million to the EDL subsidiary. The payments were recorded as long-term prepaid assets and will be amortized based on the volumes delivered over the life of the agreement.

NWN Renewables Purchase Agreements

Under the purchase agreement, Ohio Renewables and the subsidiary of EDL executed agreements for Ohio Renewables to purchase up to an annual specified amount of RNG produced by the EDL facilities over a 20-year period at a contractually specified price. In December 2025, Ohio Renewables entered into an agreement to purchase up to an annual specified amount of RNG produced by the EDL facilities from a separate investment-grade counterparty over an 11-year period at a contractually specified price. Purchase volumes are variable based on production, and purchases may not exceed contracted amounts. We currently estimate the amount of RNG purchases from both facilities based on prices and quantities specified in the agreements to be as follows: approximately \$31.4 million in 2027, \$31.6 million in 2028, \$30.8 million in 2029, \$31.4 million in 2030 and \$599.3 million thereafter. For the three months ended March 31, 2026, purchases totaled \$4.1 million, for total expected purchases of \$20.9 million in 2026.

NW Holdings entered into a guarantee on behalf of Ohio Renewables with EDL. Per the guarantee, NW Holdings unconditionally and irrevocably guarantees the timely payment and performance when due of all obligations of Ohio Renewables. NW Holdings has not recognized a liability for its obligations under the guarantee in accordance with ASC 460, *Guarantees*.

NWN Renewables Sale Agreements

2024 - 2026

Ohio Renewables has contracted to sell RNG produced by the EDL facilities up to certain specified volumes beginning in 2024 through 2026 to an investment-grade counterparty. Upon each delivery of RNG, Ohio Renewables will purchase an equal quantity of natural gas without renewable attributes at the same delivery point. Ohio Renewables has separately contracted to sell the natural gas purchased from EDL to another counterparty also at the same delivery point upon receipt. Alongside these agreements, NW Holdings entered into a guarantee on behalf of Ohio Renewables. Per the guarantee, NW Holdings unconditionally and irrevocably guarantees the prompt payment of all present and future obligations of Ohio Renewables. NW Holdings has not recognized a liability for its obligations under the guarantee in accordance with ASC 460, *Guarantees*.

The guarantee specifies annual cap amounts on the aggregate liability covered by the Guarantee as follows:

<i>In thousands</i>	2026
Cap Amount	\$ 21,113

2025 - 2044

Ohio Renewables additionally has contracted to sell a fixed-volume amount of RNG under a long-term agreement with an investment-grade utility beginning in 2025 and extending through 2044. Under the current contract, if less than 75% of the contracted volumes of RNG are not delivered on an annual basis, Ohio Renewables is obligated to pay the per MMBtu price for volumes between the amount delivered and 75% of the contracted volumes on an annual basis. NW Holdings entered into a guarantee on behalf of Ohio Renewables. Per the guarantee, NW Holdings unconditionally and irrevocably guarantees the prompt payment of all present and future obligations of Ohio Renewables. The total liability under this guarantee cannot exceed \$2.0 million. NW Holdings has not recognized a liability for its obligations under the guarantee in accordance with ASC 460, *Guarantees*.

17. ENVIRONMENTAL MATTERS

NW Natural owns, or previously owned, properties that may require environmental remediation or action. The range of loss for environmental liabilities is estimated based on current remediation technology, enacted laws and regulations, industry experience gained at similar sites, and an assessment of the probable level of involvement and financial condition of other potentially responsible parties (PRPs). When amounts are prudently expended related to site remediation of those sites described herein, NW Natural has recovery mechanisms in place to collect 96.7% of remediation costs allocable to Oregon customers and 3.3% of costs allocable to Washington customers.

These sites are subject to the remediation process prescribed by the Environmental Protection Agency (EPA) and the Oregon Department of Environmental Quality (ODEQ). The process begins with a remedial investigation (RI) to determine the nature and extent of contamination and then a risk assessment (RA) to establish whether the contamination at the site poses unacceptable risks to humans and the environment. Next, a feasibility study (FS) or an engineering evaluation/cost analysis (EE/CA) evaluates various remedial alternatives. It is at this point in the process when NW Natural is able to estimate a range of remediation costs and record a reasonable potential remediation liability, or make an adjustment to the existing liability. From this study, the regulatory agency selects a remedy and issues a Record of Decision (ROD). After a ROD is issued, NW Natural would seek to negotiate a consent decree or consent judgment for designing and implementing the remedy. NW Natural would have the ability to further refine estimates of remediation liabilities based upon an approved remedial design.

Remediation may include treatment of contaminated media such as sediment, soil and groundwater, removal and disposal of media, institutional controls such as legal restrictions on future property use, or natural recovery. Following construction of the remedy, the EPA and ODEQ also have requirements for ongoing maintenance, monitoring and other post-remediation care that may continue for many years. Where appropriate and reasonably known, NW Natural will provide for these costs in the remediation liabilities described below.

Due to the numerous uncertainties surrounding the course of environmental remediation and the preliminary nature of several site investigations, in some cases, NW Natural may not be able to reasonably estimate the high end of the range of possible loss. In those cases, the nature of the possible loss has been disclosed, as has the fact that the high end of the range cannot be reasonably estimated where a range of potential loss is available. Unless there is an estimate within the range of possible losses that is more likely than other cost estimates within that range, NW Natural records the liability at the low end of this range. It is likely changes in these estimates and ranges will occur throughout the remediation process for each of these sites due to the continued evaluation and clarification concerning responsibility, the complexity of environmental laws and regulations and the determination by regulators of remediation alternatives. In addition to remediation costs, NW Natural could also be subject to Natural Resource Damages (NRD) claims. NW Natural will assess the likelihood and probability of each claim and recognize a liability if deemed appropriate. Refer to "Other Portland Harbor" below.

Environmental Sites

The following table summarizes information regarding liabilities related to environmental sites, which are recorded in other current liabilities and other noncurrent liabilities in NW Natural's balance sheet:

<i>In thousands</i>	Current Liabilities			Non-Current Liabilities		
	March 31,		December 31,	March 31,		December 31,
	2026	2025	2025	2026	2025	2025
Portland Harbor site:						
Gasco Sediments	\$ 11,510	\$ 10,816	\$ 13,950	\$ 42,755	\$ 41,565	\$ 43,247
Other Portland Harbor	3,189	3,109	3,669	12,132	11,657	12,770
Gasco Upland site	22,089	20,767	25,643	275,514	63,594	61,782
Front Street site	455	760	486	290	278	292
Oregon Steel Mills	—	—	—	179	179	179
Total	<u>\$ 37,243</u>	<u>\$ 35,452</u>	<u>\$ 43,748</u>	<u>\$ 330,870</u>	<u>\$ 117,273</u>	<u>\$ 118,270</u>

Portland Harbor Site

The Portland Harbor is an EPA listed Superfund site that is approximately 10 miles long on the Willamette River and is adjacent to NW Natural's Gasco uplands site. NW Natural is one of over one hundred PRPs, each jointly and severally liable, at the Superfund site. In January 2017, the EPA issued its Record of Decision, which selects the remedy for the clean-up of the Portland Harbor site (Portland Harbor ROD). The Portland Harbor ROD estimates the present value total cost at approximately \$1.05 billion with an accuracy between -30% and +50% of actual costs.

NW Natural's potential liability is a portion of the costs of the remedy for the entire Portland Harbor Superfund site. The cost of that remedy is expected to be allocated among more than one hundred PRPs. NW Natural is participating in a non-binding allocation process with other PRPs in an effort to resolve its potential liability. The Portland Harbor ROD does not provide any additional clarification around allocation of costs among PRPs; accordingly, NW Natural has not modified any of the recorded liabilities at this time as a result of the issuance of the Portland Harbor ROD.

NW Natural manages its liability related to the Superfund site as two distinct projects: the Gasco Sediments Site and Other Portland Harbor projects.

GASCO SEDIMENTS. In 2009, NW Natural and Siltronic Corporation entered into a separate Administrative Order on Consent with the EPA to evaluate and design specific remedies for sediments adjacent to the Gasco uplands and Siltronic uplands sites. NW Natural submitted a draft EE/CA to the EPA in May 2012 and the EE/CA estimated the cost of potential remedial alternatives for this site. NW Natural is completing pre-design studies and has submitted a Preliminary Design Report, which the EPA approved in December 2024. These preliminary design steps do not include a cost estimate for cleanup. No remedial design for the Gasco Sediments Site is more likely than the EE/CA alternatives at this time, and NW Natural expects further design discussion and iteration with the EPA.

In March 2020, NW Natural and the EPA amended the Administrative Order on Consent to include additional remedial design activities downstream of the Gasco Sediments Site at the US Moorings and Navigation Channel remedial design project areas. Siltronic Corporation is not a party to the amended order. NW Natural has submitted Basis of Design Reports for the Navigation Channel and US Moorings remedial design project areas to the EPA.

The estimated costs for the various sediment remedy alternatives in the draft EE/CA, for the additional studies and design work needed before the cleanup can occur, and for regulatory oversight throughout the cleanup range from approximately \$54 million to \$350 million. NW Natural has recorded a liability of \$54 million for the Gasco sediment clean-up, which reflects the low end of the range. At this time, we believe sediments at the Gasco sediments site represent the largest portion of NW Natural's liability related to the Portland Harbor site discussed above.

OTHER PORTLAND HARBOR. While we believe liabilities associated with the Gasco sediments site represent NW Natural's largest exposure, there are other potential exposures associated with the Portland Harbor ROD, including NRD costs and harborwide remedial design and cleanup costs (including downstream petroleum contamination), for which allocations among the PRPs have not yet been determined.

NW Natural and other parties have signed a cooperative agreement with the Portland Harbor Natural Resource Trustee council to participate in a phased NRD assessment to estimate liabilities to support an early restoration-based settlement of NRD claims. One member of this Trustee council, the Yakama Nation, withdrew from the council in 2009, and in 2017, filed suit against NW Natural and 29 other parties seeking remedial costs and NRD assessment costs associated with the Portland Harbor site, set forth in the complaint. The complaint seeks recovery of alleged costs totaling \$0.3 million in connection with the selection of a remedial action for the Portland Harbor site as well as declaratory judgment for unspecified future remedial action costs and for costs to assess the injury, loss or destruction of natural resources resulting from the release of hazardous substances at and from the Portland Harbor site. The Yakama Nation has filed two amended complaints addressing certain pleading defects and

dismissing the State of Oregon. On the motion of NW Natural and certain other defendants, the federal court has stayed the case pending the outcome of the non-binding allocation proceeding discussed above. NW Natural has recorded a liability for NRD claims which is at the low end of the range of the potential liability; the high end of the range cannot be reasonably estimated at this time. The NRD liability is not included in the aforementioned range of costs provided in the Portland Harbor ROD.

Gasco Uplands Site

A predecessor of NW Natural, Portland Gas and Coke Company, owned a former gas manufacturing plant that was closed in 1958 (Gasco site) and is adjacent to the Portland Harbor site described above. The Gasco site has been under investigation by NW Natural for environmental contamination under the ODEQ Voluntary Cleanup Program (VCP). It is not included in the range of remedial costs for the Portland Harbor site noted above. The Gasco site is managed in two parts, the uplands portion (including the IRAM) and the groundwater source control action.

NW Natural submitted a revised Remedial Investigation Report for the uplands to ODEQ in May 2007. In March 2015, ODEQ approved the Risk Assessment (RA) for this site, enabling commencement of work on the FS in 2016.

In October 2016, ODEQ and NW Natural agreed to amend their VCP agreement for the Gasco uplands to incorporate a portion of the Siltronic property formerly owned by Portland Gas & Coke between 1939 and 1960 into the Gasco RA and FS. Previously, NW Natural was conducting an investigation of manufactured gas plant constituents on the entire Siltronic uplands for ODEQ. Siltronic will be working with ODEQ directly on environmental impacts to the remainder of its property.

In September 2013, NW Natural completed construction of a groundwater source control system, including a water treatment station, at the Gasco site. NW Natural has estimated the cost associated with the ongoing operation of the system and has recognized a liability which is at the low end of the range of potential cost. NW Natural cannot estimate the high end of the range at this time due to the uncertainty associated with the duration of running the water treatment station, which is highly dependent on the remedy determined for both the upland portion as well as the final remedy for the Gasco sediments site.

In December 2024, NW Natural submitted the Gasco uplands FS to ODEQ. The FS presents a set of remedial action alternatives and provides the basis for range of potential remedial costs for the site. In April 2026, NW Natural submitted a revised FS to ODEQ addressing comments it had received on the original FS submission. The revised FS included changes to the remediation alternatives as well as the addition of the estimated costs to operate and monitor the site for 30 years after remediation. The revised range of alternative remedies excluding the cost of the Interim Remedial Action Measure (IRAM) for the Gasco uplands site is an estimated range from \$288 million to \$950 million, which includes a range of undiscounted monitoring costs for a 30 year period that range from approximately \$230 million to \$250 million. NW Natural has recorded a liability of \$288 million, which reflects the low end of the range. ODEQ is currently reviewing the revised submission.

Additionally, the EPA's Gasco sediments Administrative Order requires the integration of upland source controls with the sediment remedy. The selected sediment remedy, which is discussed above under "Gasco Sediments," is currently under separate design for the EPA. To comply with the source control integration requirement, some Gasco uplands work must be expedited. An Interim Removal Action Measure (IRAM) for the Gasco uplands is the regulatory mechanism ODEQ has selected to accomplish that goal. As a result, the Gasco uplands FS also includes a separate range of potential remedial costs for the IRAM. The alternative remedies for the IRAM range from \$10 million to \$78 million. NW Natural has recorded a liability of \$10 million, which reflects the low end of the range.

Other Sites

In addition to those sites above, NW Natural has environmental exposures at three other sites: Central Service Center, Front Street and Oregon Steel Mills. NW Natural may have exposure at other sites that have not been identified at this time. Due to the uncertainty of the design of remediation, regulation, timing of the remediation and in the case of the Oregon Steel Mills site, pending litigation, liabilities for each of these sites have been recognized at their respective low end of the range of potential liability; the high end of the range could not be reasonably estimated at this time.

FRONT STREET SITE. The Front Street site was the former location of a gas manufacturing plant NW Natural operated (the former Portland Gas Manufacturing site, or PGM). At ODEQ's request, NW Natural conducted a sediment and source control investigation and provided findings to ODEQ. In December 2015, an FS on the former Portland Gas Manufacturing site was completed.

In July 2017, ODEQ issued the PGM ROD. The ROD specifies the selected remedy, which requires a combination of dredging, capping, treatment, and natural recovery. In addition, the selected remedy also requires institutional controls and long-term inspection and maintenance. Construction of the remedy began in July 2020 and was completed in October 2020. The second year of post-construction monitoring was completed in 2022 and demonstrated that the cap was intact and performing as designed. NW Natural has recognized an additional liability of \$0.7 million associated with long-term monitoring and post-construction work.

Environmental Cost Deferral and Recovery

NW Natural has authorizations in Oregon and Washington to defer costs related to remediation of properties that are owned or were previously owned by NW Natural. In Oregon, a Site Remediation and Recovery Mechanism (SRRM) is currently in place to recover prudently incurred costs allocable to Oregon customers, subject to an earnings test. On October 21, 2019, the WUTC

authorized an Environmental Cost Recovery Mechanism (ECRM) for recovery of prudently incurred costs allocable to Washington customers beginning November 1, 2019. See Note 17 in the 2025 Form 10-K for a description of SRRM and ECRM collection processes.

The following table presents information regarding the total regulatory asset deferred:

<i>In thousands</i>	March 31,		December 31,
	2026	2025	2025
Deferred costs and interest ⁽¹⁾	\$ 72,897	\$ 65,526	\$ 71,954
Accrued site liabilities ⁽²⁾	368,090	152,692	161,993
Insurance proceeds and interest	(42,358)	(47,655)	(41,736)
Total regulatory asset deferral ⁽¹⁾	398,629	170,563	192,211
Current regulatory assets ⁽³⁾	12,271	10,819	12,148
Long-term regulatory assets ⁽³⁾	386,358	159,744	180,063

⁽¹⁾ Includes pre-review and post-review deferred costs, amounts currently in amortization, and interest, net of amounts collected from customers.

⁽²⁾ Excludes 3.3% of the Front Street site liability as the OPUC only allows recovery of 96.7% of costs for those sites allocable to Oregon, including those that historically served only Oregon customers. Amounts excluded from regulatory assets were immaterial at March 31, 2026, March 31, 2025, and December 31, 2025.

⁽³⁾ Environmental costs relate to specific sites approved for regulatory deferral by the OPUC and WUTC. In Oregon, NW Natural earns a carrying charge on cash amounts paid, whereas amounts accrued but not yet paid do not earn a carrying charge until expended. It also accrues a carrying charge on insurance proceeds for amounts owed to customers. In Washington, neither the cash paid for insurance proceeds received accrue a carrying charge. Current environmental costs represent remediation costs management expects to collect from customers in the next 12 months. Amounts included in this estimate are still subject to a prudence and earnings test review by the OPUC and do not include the \$5 million tariff rider. The amounts allocable to Oregon are recoverable through NW Natural rates, subject to an earnings test.

Environmental Earnings Test

To the extent NW Natural earns at or below its authorized Return on Equity (ROE) as defined by the SRRM, remediation expenses and interest in excess of the \$5 million tariff rider and \$5 million insurance proceeds are recoverable through the SRRM. To the extent NW Natural earns more than its authorized ROE in a year, it is required to cover environmental expenses and interest on expenses greater than the \$10 million with those earnings that exceed its authorized ROE.

Legal Proceedings

On October 11, 2024, NW Natural was added as a defendant to an ongoing lawsuit brought by Multnomah County in the Circuit Court for Multnomah County, Oregon (*County of Multnomah v. Exxon Mobil Corp., et. al.*, No.23-cv-25164) against more than a dozen oil and gas producers seeking damages relating to climate change impacts. The County asserts various causes of action, including negligence, fraud, trespass and public nuisance under Oregon law related to the refining, producing and/or marketing of fossil fuels. NW Natural is diligently defending against the claims.

On October 14, 2024, NW Natural and NW Holdings were named as the defendants in a lawsuit filed in the Circuit Court for Multnomah County, Oregon (*Blumm et. al. v. Northwest Natural Gas Company*, 24-cv-48490), that is seeking class certification on behalf of all Oregon NW Natural Smart Energy-enrolled customers during the past approximately six years. The lawsuit alleges claims under Oregon's Unlawful Trade Practices Act and for breach of contract, with respect to NW Natural's Smart Energy program. The plaintiffs seek injunctive and equitable relief and damages. In October 2025, NW Holdings was dismissed as a party to the proceeding. The plaintiffs subsequently filed a Second Amended Complaint re-alleging claims against NW Holdings. We are diligently defending against the claims.

NW Natural and NW Holdings are subject to claims and litigation arising in the ordinary course of business including the matters discussed above. Although the final outcome of any of these legal proceedings cannot be predicted with certainty, including the matter relating to the Oregon Steel Mills site referenced below, NW Natural and NW Holdings do not expect that the ultimate disposition of any of these matters will have a material effect on their financial condition, results of operations or cash flows. See also Part II, Item 1, "Legal Proceedings".

For additional information regarding other environmental matters, see Note 17 in the 2025 Form 10-K.

18. SUBSEQUENT EVENTS

On May 1, 2026, NW Natural entered into a Reimbursement Agreement and Continuing Indemnity Relating to Standby Letters of Credit/Letters of Guarantee (LC Reimbursement Agreement), between NW Natural and The Toronto-Dominion Bank, New York Branch (TD Bank), pursuant to which NW Natural agreed to reimburse TD Bank for disbursements in respect of letters of credit issued pursuant to the LC Reimbursement Agreement from time to time. NW Natural expects to use letters of credit issued under the facility created by the LC Reimbursement Agreement (LC Facility) primarily to support its participation in Washington Climate Commitment Act cap-and-invest program auctions.

The 2026 LC Reimbursement Agreement provides that the aggregate undrawn face amount of letters of credit issued thereunder may not exceed \$100 million. TD Bank has no commitment to issue letters of credit under the LC Facility and will have the sole discretion to limit and condition the terms for the issuance of letters of credit (including maximum face amounts).

The LC Reimbursement Agreement is cross-defaulted to NW Natural's Amended and Restated Credit Agreement. The occurrence of an Event of Default (as defined in the LC Reimbursement Agreement) would entitle TD Bank to require cash collateral for the Obligations, as defined in the LC Reimbursement Agreement, and to exercise all other rights and remedies available under the LC Reimbursement Agreement and under applicable law.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's assessment of NW Holdings' and NW Natural's financial condition, including the principal factors that affect results of operations. The discussion refers to the consolidated results for the three months ended March 31, 2026 and 2025 of NW Holdings, the substantial majority of which consist of the operating results of NW Natural. When significant activity exists at NW Holdings that does not exist at NW Natural, additional disclosure has been provided. References in this discussion to "Notes" are to the Notes to Unaudited Consolidated Financial Statements in this report. A significant portion of the business results are seasonal in nature, and, as such, the results of operations for the three month period is not necessarily indicative of expected fiscal year results. Therefore, this discussion should be read in conjunction with NW Holdings' and NW Natural's 2025 Annual Report on Form 10-K, as applicable (2025 Form 10-K).

NW Natural operates as one reportable business segment on a consolidated basis. Prior to the first quarter of 2026, the reportable business segment NW Natural was represented as NWN Gas Utility and excluded certain gas storage and other business activities that were included in Other. Consistent with the method in which the Chief Operating Decision Maker (CODM) reviews each business, these activities were consolidated into NWN Gas Utility and presented as the reportable business segment NW Natural beginning in the first quarter of 2026. NW Natural is primarily a regulated local gas distribution company serving customers in Oregon and southwest Washington. NW Natural also provides regulated storage services at its Mist underground storage facility. The Mist underground storage facility serves distribution and interstate storage customers, and owns the North Mist gas storage facility, which serves a local electric company. NW Natural also owns NWN Gas Reserves and NW Natural RNG Holding Company, LLC, which procures regulated renewable natural gas for distribution customers. Additionally, NW Natural encompasses interstate storage services, third-party asset management services, and appliance center retail operations.

SiEnergy, which was acquired on January 7, 2025, is a regulated natural gas distribution utility and serves residential and commercial customers in the greater metropolitan areas of Houston, Dallas, and Austin, Texas. SiEnergy also includes a natural gas transmission utility serving customers in the greater metropolitan areas of Dallas and Austin, Texas. SiEnergy activities are reported in the SiEnergy segment.

NWN Water is a regulated water and wastewater utility serving residential and commercial customers in Oregon, Washington, Idaho, Texas, and Arizona. The activities of NWN Water are reported in the NWN Water segment, which also includes non-regulated water and wastewater services businesses in Oregon, Washington and Idaho, and an equity method investment in Avion Water Company, Inc. In addition, NWN Water provides water services to communities throughout the Pacific Northwest and California.

Other activities for NW Holdings, aggregated and reported as Other, include NWN Renewables and its non-regulated renewable natural gas activities; and NNG Financial's investment in Kelso-Beaver Pipeline (KB Pipeline), which is accounted for under the equity method. See Note 4 for further discussion of our business segments and other, as well as our direct and indirect wholly-owned subsidiaries.

Non-GAAP Financial Measures

In addition to presenting diluted earnings per share for NW Holdings, we present diluted earnings per share for each of our segments (Segment EPS), which is a non-GAAP financial measure. We calculate Segment EPS by dividing the net income of each of our segments calculated in accordance with GAAP by the number of diluted shares outstanding for NW Holdings. We use Segment EPS to analyze our financial performance because we believe it provides useful information to our investors, analysts and creditors in evaluating our financial condition and results of operations of each of our segments. We believe investors find Segment EPS to be a useful indicator of our performance.

Segment EPS should not be considered a substitute for, or superior to, diluted earnings per share or other measures calculated in accordance with GAAP. Moreover, Segment EPS has limitations in that it does not reflect all the items associated with the operations of the business as determined in accordance with GAAP. Other companies may calculate similarly titled non-GAAP financial measures differently than how such measures are calculated in this report, limiting the usefulness of those measures for comparative purposes. A reconciliation of Segment EPS to diluted earnings per share is provided below.

<i>Diluted earnings per share</i>	Three Months Ended March 31,	
	2026	2025
Diluted EPS Total ⁽¹⁾	\$ 2.33	\$ 2.18
NW Natural ⁽²⁾	2.24	2.26
SiEnergy ⁽²⁾	0.22	0.14
NWN Water ⁽²⁾	0.03	0.04
Other ⁽²⁾	(0.16)	(0.26)

⁽¹⁾ Total Diluted EPS is equal to the sum of Diluted EPS for NW Natural, SiEnergy, NWN Water and Other.

⁽²⁾ Non-GAAP financial measure. See Non-GAAP Financial Measures--Segment Earnings Per Share for definition, reconciliation and additional information.

EXECUTIVE SUMMARY

Key quarter-to-date financial highlights for NW Holdings include:

<i>In millions, except per share data</i>	Three Months Ended March 31,		YTD Change
	2026	2025	
	Amount	Amount	
Consolidated:			
Net income	\$ 97.5	\$ 87.9	\$ 9.6
Diluted EPS	\$ 2.33	\$ 2.18	\$ 0.15

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025.

- Consolidated net income increased by \$9.6 million or \$0.15 per diluted share.
- The increase in net income is primarily driven by new NW Natural rates in Oregon, effective October 31, 2025, organic growth at SiEnergy, and the acquisition of Pines in June 2025. These benefits were partially offset by increases in interest expense and depreciation expense.
- Customer growth was 2.8%, driven by organic growth at SiEnergy and NWN Water, and the Pines and Inline acquisitions.
- Capital expenditures were \$113.7 million, as we continue to invest in our utility systems to support safety and reliability.

Key quarter-to-date financial highlights for NW Natural include:

	Three Months Ended March 31,		
	2026	2025	YTD
<i>In millions</i>	Amount	Amount	Change
Consolidated:			
Net income	\$ 93.7	\$ 91.0	\$ 2.7

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025.

- Consolidated net income increased by \$2.7 million and was primarily driven by new rates in Oregon, effective October 31, 2025. This benefit was partially offset by increases in depreciation expense, interest expense and operations and maintenance expenses.
- Capital expenditures were \$79.6 million, due primarily to continued investments to support the safety and reliability of NW Natural.

RESULTS OF SEGMENTS

NW NATURAL SEGMENT RESULTS. NW Natural results were as follows:

<i>In thousands, except per share data</i>	Three Months Ended March 31,		
	2026	2025	YTD Change
Margin ⁽¹⁾	\$ 270,390	\$ 264,559	\$ 5,831
Operating expenses:			
Operations and maintenance	70,530	67,766	2,764
General taxes	16,037	14,979	1,058
Depreciation	39,444	36,036	3,408
Other operating expenses	693	746	(53)
Total operating expenses	126,704	119,527	7,177
Income from operations	143,686	145,032	(1,346)
Other expense, net	(104)	(2,749)	2,645
Interest expense, net	17,678	15,580	2,098
Income before income taxes	125,904	126,703	(799)
Income tax expense (benefit)	32,155	35,664	(3,509)
Net income	\$ 93,749	\$ 91,039	\$ 2,710
EPS ⁽²⁾	\$ 2.24	\$ 2.26	\$ (0.02)

⁽¹⁾ See NW Natural Margin Table below for additional detail.

⁽²⁾ Non-GAAP financial measure. See Non-GAAP Financial Measures—Segment Earnings Per Share for definition, reconciliation and additional information.

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025. The primary factors contributing to the \$2.7 million increase in NW Natural net income were as follows:

- \$5.8 million increase in margin driven by new rates on October 31, 2025 for Oregon customers. See the NW Natural margin table below for additional margin detail;
- \$3.5 million decrease in income tax expense primarily due to lower non-deductible executive compensation and higher AFUDC equity income; partially offset by
- \$3.4 million increase in depreciation expense due to additional capital investments; and
- \$2.8 million increase in operations and maintenance expenses due primarily to an increase in employee related expenses, technology, insurance and professional services expenses.

For the three months ended March 31, 2026, total NW Natural volumes sold and delivered decreased by 42.7 million therms compared to the same period in 2025 primarily due to lower usage from residential and commercial sales customers.

NW NATURAL MARGIN TABLE. The following table summarizes the composition of gas volumes, revenues, and cost of sales:

	Three Months Ended March 31,		Favorable/ (Unfavorable)
<i>In thousands, except degree day and customer data</i>	2026	2025	YTD Change
<u>Volumes (therms)</u>			
Residential and commercial sales	273,077	310,183	(37,106)
Industrial sales and transportation	118,964	124,555	(5,591)
Total volumes sold and delivered	392,041	434,738	(42,697)
<u>Operating Revenues</u>			
Residential and commercial sales	\$ 397,535	\$ 413,163	\$ (15,628)
Industrial sales and transportation	23,699	22,745	954
Regulated gas storage	9,606	9,784	(178)
Other revenue	3,056	3,121	(65)
Total operating revenues	433,896	448,813	(14,917)
Less: Cost of gas	140,144	159,436	19,292
Less: Environmental remediation expense	6,325	6,253	(72)
Less: Revenue taxes	17,037	18,565	1,528
Margin	\$ 270,390	\$ 264,559	\$ 5,831
<u>Margin⁽¹⁾</u>			
Residential and commercial sales	\$ 247,443	\$ 241,361	\$ 6,082
Industrial sales and transportation	10,943	9,352	1,591
Regulated gas storage	9,606	9,784	(178)
Gain (loss) from gas cost incentive sharing ⁽²⁾	(658)	941	(1,599)
Other margin	3,056	3,121	(65)
Margin	\$ 270,390	\$ 264,559	\$ 5,831
<u>Cost of Gas Detail</u>			
Volumes sold (therms) ⁽³⁾	299,729	338,144	(38,415)
Average cost of gas (cents per therm)	\$ 0.47	\$ 0.47	\$ —
<u>Degree days⁽⁴⁾</u>			
Average ⁽⁵⁾	1,335	1,326	9
Actual	1,196	1,276	(6)%
Percent (warmer) colder than average weather	(10)%	(4)%	
As of March 31,			
<u>Meters</u>	2026	2025	Growth
Residential	740,709	736,853	0.5%
Commercial	69,350	69,526	(0.3)%
Industrial	1,030	1,047	(1.6)%
Total	811,089	807,426	0.5%

(1) Amounts reported as NW Natural margin for each category of meters are operating revenues less cost of gas, environmental remediation expense and revenue taxes, subject to earnings test considerations, as applicable.

(2) For additional information regarding NW Natural's gas cost incentive sharing mechanism, see Part II, Item 7 "Results of Operations—Regulatory Matters—Rate Mechanisms—Gas Reserves" in NW Natural's 2025 Form 10-K.

(3) This calculation excludes volumes delivered to industrial transportation customers.

(4) Heating degree days are units of measure reflecting temperature-sensitive consumption of natural gas, calculated by subtracting the average of a day's high and low temperatures from 59 degrees Fahrenheit.

(5) Average weather represents the 25-year average of heating degree days. Beginning October 31, 2025, average weather is calculated over the period June 1, 1999 through May 31, 2024, as determined in NW Natural's 2025 Oregon general rate case. From November 1, 2024 through October 30, 2025, average weather was calculated over the period June 1, 1998 through May 31, 2023, as determined in NW Natural's 2024 Oregon general rate case.

SIENERGY SEGMENT RESULTS. SiEnergy results and highlights include:

<i>In thousands, except per share data</i>	Three Months Ended March 31,		YTD Change
	2026	2025 ⁽³⁾	
Margin ⁽¹⁾	\$ 18,455	\$ 13,584	\$ 4,871
Operating expenses:			
Operations and maintenance	2,814	1,682	1,132
General taxes	10	219	(209)
Depreciation	1,797	2,070	(273)
Total operating expenses	4,621	3,971	650
Income from operations	13,834	9,613	4,221
Other income, net	336	93	243
Interest expense, net	2,543	2,257	286
Income before income taxes	11,627	7,449	4,178
Income tax expense	2,537	1,944	593
Net income	\$ 9,090	\$ 5,505	\$ 3,585
EPS ⁽²⁾	\$ 0.22	\$ 0.14	\$ 0.08

⁽¹⁾ See SiEnergy Margin Table below for additional detail.

⁽²⁾ Non-GAAP financial measure. See Non-GAAP Financial Measures—Segment Earnings Per Share for definition, reconciliation and additional information.

⁽³⁾ SiEnergy was acquired by NW Holdings on January 7, 2025. Results for the period from January 7, 2025 to March 31, 2025 are presented in the table above. Prior to January 7, 2025, NW Holdings did not operate any assets that fall within its SiEnergy segment.

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025. The primary factors contributing to the \$3.6 million increase in SiEnergy net income were as follows:

- \$4.9 million increase in margin driven primarily by organic growth and the acquisition of Pines Holdings, LLC (Pines) on June 2, 2025. See the SiEnergy margin table below for additional margin detail. Benefits to net income were partially offset by
- \$1.1 million increase in operations and maintenance expenses due primarily to higher payroll and benefit costs and an increase in system maintenance expenses.

For the three months ended March 31, 2026, total SiEnergy volumes sold and delivered increased by 4.1 million therms compared to the same period in 2025 primarily due to organic growth and the Pines acquisition.

SIENERGY MARGIN TABLE. The following table summarizes the composition of gas volumes, revenues, and cost of sales:

<i>In thousands, except degree day and customer data</i>	Three Months Ended March 31,		Favorable/ (Unfavorable)
	2026	2025 ⁽⁵⁾	YTD Change
<u>Volumes (therms)</u>			
Residential and commercial sales	17,166	13,664	3,502
Transportation	1,128	549	579
Total volumes sold and delivered	18,294	14,213	4,081
<u>Operating Revenues</u>			
Residential and commercial sales	\$ 30,891	\$ 21,905	\$ 8,986
Transportation	205	198	7
Other distribution revenues	599	563	36
Total operating revenues	31,695	22,666	9,029
Less: Cost of gas	12,279	8,303	3,976
Less: Revenue taxes	961	779	182
Margin	\$ 18,455	\$ 13,584	\$ 4,871
<u>Margin⁽¹⁾</u>			
Residential and commercial sales	\$ 17,658	\$ 12,830	\$ 4,828
Transportation	198	191	7
Other margin	599	563	36
Margin	\$ 18,455	\$ 13,584	\$ 4,871
<u>Cost of Gas Detail</u>			
Volumes sold (therms) ⁽²⁾	17,166	13,664	3,502
Average cost of gas (cents per therm)	\$ 0.72	\$ 0.61	\$ 0.11
<u>Degree days⁽³⁾</u>			
Average ⁽⁴⁾	729	719	10
Actual	563	773	(210)
Percent (warmer) colder than average weather ⁽⁴⁾	(23)%	8 %	(31)%
<u>As of March 31,</u>			
<u>Meters</u>	2026	2025	Growth
Residential	92,067	72,663	26.7%
Commercial	687	414	65.9%
Total	92,754	73,077	26.9%

⁽¹⁾ Amounts reported as SiEnergy margin for each category of meters are operating revenues less cost of gas and revenue taxes.

⁽²⁾ This calculation excludes volumes delivered to transportation customers.

⁽³⁾ Heating degree days are units of measure reflecting temperature-sensitive consumption of natural gas. SiEnergy calculates heating degree days by subtracting the average of a day's high and low temperatures from 65 degrees Fahrenheit.

⁽⁴⁾ SiEnergy average weather represents the 10-year average of heating degree days. Beginning October 1, 2023 average weather is calculated over the period April 1, 2013 through March 31, 2023, as determined in SiEnergy's 2023 Texas general rate case.

⁽⁵⁾ SiEnergy was acquired by NW Holdings on January 7, 2025. Results for the period from January 7, 2025 to March 31, 2025 are presented in the table above. Prior to January 7, 2025, NW Holdings did not operate any assets that fall within its SiEnergy segment.

NWN WATER SEGMENT RESULTS. NWN Water results and highlights include:

<i>In thousands, except per share data</i>	Three Months Ended March 31,		YTD Change
	2026	2025	
Operating Revenues	\$ 14,969	\$ 13,909	\$ 1,060
Operating expenses:			
Operations and maintenance	8,607	7,265	1,342
General taxes	286	565	(279)
Revenue taxes	102	61	41
Depreciation	2,893	2,394	499
Other operating expenses	682	581	101
Total operating expenses	12,570	10,866	1,704
Income from operations	2,399	3,043	(644)
Other income, net	274	68	206
Interest expense, net	688	792	(104)
Income before income taxes	1,985	2,319	(334)
Income tax expense	554	631	(77)
Net income	\$ 1,431	\$ 1,688	\$ (257)
EPS ⁽¹⁾	\$ 0.03	\$ 0.04	\$ (0.01)

	As of March 31, 2026	As of March 31, 2025	Growth
Connections			
Water and wastewater	81,237	78,052	4.1 %

⁽¹⁾ Non-GAAP financial measure. See Non-GAAP Financial Measures—Segment Earnings Per Share for definition, reconciliation and additional information.

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025. The primary factors contributing to the \$0.3 million decrease in net income were as follows:

- \$1.3 million increase in operations and maintenance expenses primarily due to higher payroll and benefit costs; partially offset by
- \$1.1 million increase in operating revenues primarily driven by organic customer growth, the Inline acquisition in the fourth quarter of 2025, and new rates at our largest utility in Arizona.

OTHER RESULTS. Other results and highlights include:

<i>In thousands, except per share data</i>	Three Months Ended March 31,		YTD Change
	2026	2025	
Operating Revenues	\$ 9,843	\$ 8,896	\$ 947
Operating expenses:			
Cost of gas	5,726	5,252	474
Operations and maintenance	1,158	6,970	(5,812)
General taxes	10	8	2
Total operating expenses	6,894	12,230	(5,336)
Income from operations	2,949	(3,334)	6,283
Other income, net	6	72	(66)
Interest expense, net	12,443	10,766	1,677
Income before income taxes	(9,488)	(14,028)	4,540
Income tax expense (benefit)	(2,707)	(3,712)	1,005
Net loss	\$ (6,781)	\$ (10,316)	\$ 3,535
EPS ⁽¹⁾	\$ (0.16)	\$ (0.26)	\$ 0.10

⁽¹⁾ Non-GAAP financial measure. See Non-GAAP Financial Measures—Segment Earnings Per Share for definition, reconciliation and additional information.

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025. The primary factors contributing to the \$3.5 million, decrease in net loss were as follows:

- \$5.8 million decrease in operations and maintenance expenses due primarily to lower business development and acquisition costs; partially offset by
- \$1.7 million increase in interest expense due primarily to higher long-term debt at NW Holdings from Junior Subordinated Debentures issued in March 2025 and higher commercial paper balances.

CURRENT ECONOMIC AND POLITICAL CONDITIONS. Current economic and political conditions are reviewed and monitored on an ongoing basis for potential impacts to our business. This includes changes in inflation and interest rates, tariffs or trade restrictions, geopolitical conflicts and uncertainty, supply chain disruptions, and other regulatory, physical or cyber related risks impacting our business. Further, we review U.S. federal, state and local policies, executive orders, rules, initiatives and other changes to fiscal, tax, regulation, environmental, climate and other federal policies that may impact our businesses, all of which could impact the conditions in which we operate.

We continue to evaluate the effect of additional tariffs on our businesses, specifically natural gas imports at our gas utilities. SiEnergy, located in Texas, does not import natural gas. NW Natural imported approximately 60% of our natural gas from Canada in 2025. NW Natural's third-party asset manager imports the majority of NW Natural's gas each year and is not subject to tariffs because they are a United States-Mexico-Canada Agreement (USMCA) certified importer of record. NW Natural is a USMCA certified importer. We've evaluated tariffs across our businesses and at this time, we do not anticipate the currently implemented tariffs to have a material impact on our businesses. We continue to evaluate the potential impact of efforts to impose new or modified tariffs and the legal proceedings that may impact them.

We continue to monitor the impact of the conflict in the Middle East and the resulting volatility in global natural gas prices. NW Natural and SiEnergy recover the cost of natural gas through rates. In addition, for the 2025-26 gas year, the total amount of forecasted sales volumes hedged was approximately 84% in Oregon and 33% in Washington. We expect to continue hedging for the upcoming 2026-27 gas year in the coming months, have not experienced gas price volatility in regard to the conflict in the Middle East, and will continue to assess these factors.

Supply chains and lead times have generally returned to normalized levels. For critical equipment and materials, we do extensive planning and make purchases in advance or maintain the appropriate amount of inventory to support our businesses.

For all of our businesses, we continuously monitor interest rates and financing options. Our regulated utilities generally recover interest expense on their long-term debt through their authorized cost of capital.

Regulatory Matters

For additional information, see Part II, Item 7 "Results of Operations—*Regulatory Matters*" in the 2025 Form 10-K.

NW Natural

NW Natural's natural gas distribution business is subject to regulation by the OPUC and WUTC with respect to, among other matters, rates and terms of service, systems of accounts, and issuances of securities by NW Natural. At March 31, 2026, approximately 88% of NW Natural customers were located in Oregon, with the remaining 12% in Washington. Earnings and cash flows from natural gas distribution operations are largely determined by rates set in general rate cases and other proceedings in Oregon and Washington. They are also affected by weather, the local economies in Oregon and Washington, the pace of customer growth in the residential, commercial, and industrial markets, legislation and policy, customer preferences and NW Natural's ability to remain price competitive, control expenses, and obtain reasonable and timely regulatory recovery of its natural gas distribution-related costs, including operating expenses and investment costs in plant and other regulatory assets. NW Natural continuously evaluates the need for rate cases in its jurisdictions. See "*Most Recent Completed Rate Cases*" below.

Most Recent Completed Rate Cases

2025 OREGON RATE CASE. On October 24, 2025, the OPUC issued a final order in the Rate Case approving three prior multi-party stipulations and resolving the remaining open items in the Rate Case. New rates authorized by the OPUC were effective October 31, 2025. The final order provided for a total revenue requirement increase of \$20.7 million over revenues from existing rates, which includes approximately \$4.8 million related to an updated depreciation study. The revenue requirement is based on the following assumptions:

- Capital structure of 50% common equity and 50% long-term debt;
- Cost of long-term debt of 4.74%
- Return on equity of 9.5%, and
- Overall cost of capital of 7.12%

Average rate base after final adjustments for completed capital projects was \$2.27 billion or an increase of \$180.1 million since the last rate case.

WASHINGTON. On October 21, 2021, the WUTC issued an order concluding NW Natural's general rate case filed in December 2020 (WUTC Order). The WUTC Order provides for an annual revenue requirement increase over two years, consisting of a 6.4% or \$5.0 million increase in the first year beginning November 1, 2021 (Year One), and a 3.5% or \$3.0 million increase in the second year beginning November 1, 2022 (Year Two). The increase is based on the following assumptions:

- Cost of capital of 6.814%; and
- Average rate base of \$194.7 million, an increase of \$20.9 million since the last rate case for capital expenditures already expended at the time of filing, with an additional expected \$31.2 million increase in Year One, and an additional expected \$21.4 million increase in Year Two, with the increases in Year One and Year Two relating to expected capital expenditures in those years.

The WUTC Order does not specify the underlying inputs to the cost of capital, including capital structure and return on equity. New rates authorized by the WUTC Order were effective November 1, 2021. In September 2023, NW Natural received a letter of compliance from the WUTC acknowledging that the Year Two rates are no longer subject to review and refund.

NW Natural continuously evaluates the need for rate cases in its jurisdictions.

Regulatory Proceeding Updates

2025 WASHINGTON RATE CASE. On August 29, 2025, NW Natural filed a request for a general rate increase with the WUTC under Washington's multi-year rate plan statute.

This multi-year rate plan filing includes requested increases in the annual revenue requirement over three years, consisting of a \$25.6 million revenue increase in the first year beginning August 1, 2026 (Year 1), an \$8.6 million revenue increase in the second year beginning August 1, 2027 (Year 2) and an \$8.3 million revenue increase in the third year beginning August 1, 2028 (Year 3).

On March 23, 2026, NW Natural filed a settlement with the WUTC that addressed all issues but one in the Rate Case (Stipulation). The Stipulation provides for a \$20.1 million revenue increase in Year 1, a \$7.7 million revenue increase in Year 2 and an \$8.7 million revenue increase in Year 3. The revenue requirement for Year 1 includes the addition to rate base expected to be placed in-service by the start of Rate Year 1. Rate Years 2 and 3 include additions to rate base during the rate years. Plant placed into service after March 31, 2025 is subject to review, adjustment and refund according to actual costs incurred.

The incremental revenue requirement for each year is based upon the following assumptions:

	Year 1	Year 2	Year 3
Revenue Requirement Increase	\$20.1 million	\$7.7 million	\$8.7 million ⁽²⁾
Capital Structure	• 50.0% long-term debt • 50.0% common equity	• 50.0% long-term debt • 50.0% common equity	• 50.0% long-term debt • 50.0% common equity
Return on Equity	9.5%	9.5%	9.5%
Overall Rate of Return	7.15%	7.18%	7.22%
Average Rate Base	\$328.0 million ⁽¹⁾	\$369.6 million	\$410.7 million

⁽¹⁾ Represents an increase of \$80.7 million since the last rate case.

⁽²⁾ Includes approximately \$3.5 million related to an updated depreciation study.

The Stipulation does not address NW Natural's line extension allowance policy, which is subject to the ongoing regulatory litigation process. The Stipulation is subject to the review and approval of the WUTC. For new rates to be effective, the WUTC must issue an order, which may approve or deny the terms of the Stipulation or be issued under the WUTC's own terms. NW Natural expects new rates to take effect on August 1, 2026.

Rate Mechanisms

During 2026 and 2025, NW Natural's key approved rates and recovery mechanisms for each service area included:

	Oregon		Washington
	2025 Rate Case (effective 10/31/2025)	2024 Rate Case (effective 11/1/2024)	2021 Rate Case (effective 11/1/2021)
Authorized Rate Structure:			
Return on Equity	9.5%	9.4%	**
Rate of Return	7.1%	7.1%	6.8%
Debt/Equity Ratio	50%/50%	50%/50%	**
Key Regulatory Mechanisms:			
Purchased Gas Adjustment (PGA)	X	X	X
Gas Cost Incentive Sharing	X	X	
Decoupling	X	X	
Weather Normalization (WARM)	X	X	
RNG Automatic Adjustment Clause	X	X	
Environmental Cost Recovery	X	X	X
Interstate Storage and Asset Management Sharing	X	X	X

** The WUTC Order does not specify the underlying inputs to the cost of capital, including capital structure and return on equity.

Annually, or more often if circumstances warrant, NW Natural reviews all regulatory assets for recoverability. If NW Natural should determine all or a portion of these regulatory assets no longer meet the criteria for continued application of regulatory accounting, then NW Natural would be required to write-off the net unrecoverable balances against earnings in the period such a determination was made.

PURCHASED GAS ADJUSTMENT. Rate changes are established for NW Natural each year under purchased gas adjustment (PGA) mechanisms in Oregon and Washington to reflect changes in the expected cost of natural gas commodity purchases. The PGA filings include costs for gas purchases, gas commodity derivative contracts, gas storage costs, gas reserves costs, pipeline demand costs, renewable natural gas and its environmental attributes, including renewable thermal certificates, and temporary rate adjustments, which amortize balances of deferred regulatory accounts.

In September 2025, NW Natural filed its annual PGAs and received OPUC and WUTC approval in October. The PGA rate changes became effective on October 31, 2025, in Oregon and on November 1, 2025, in Washington. Rates vary between states due to different rate structures, rate mechanisms and hedging policies.

Each year, NW Natural hedges gas prices on a portion of NW Natural's annual sales requirement based on normal weather, including both physical and financial hedges. As of March 31, 2026, NW Natural's forecasted sales volume was hedged at approximately 79% in total for the 2025-26 gas year, including 64% in financial hedges and 15% in physical gas supplies. The total hedged was approximately 84% in Oregon and 33% in Washington.

For the subsequent two gas years, NW Natural is hedged in total between 15% and 28% for annual requirements. Hedge levels are subject to change based on actual load volumes, which depend to a certain extent on weather, economic conditions, and estimated gas reserve production. Also, gas storage inventory levels may increase or decrease with storage expansion, changes in storage contracts with third parties, variations in the heat content of the gas, and or storage recall by NW Natural. We will continue to monitor gas prices as we fill storage and look at hedging plans for future gas years. Gas purchases and hedges entered into for the upcoming PGA year will be included in the Company's PGA filings in Oregon and Washington.

Under the current PGA mechanism in Oregon, there is an incentive sharing provision whereby NW Natural is required to select each year an 80% deferral or a 90% deferral of higher or lower actual gas costs compared to estimated PGA prices, such that the impact on NW Natural's current earnings from the incentive sharing is either 20% or 10% of the difference between actual and estimated gas costs, respectively. For the 2024-25 and 2025-26 gas years, NW Natural selected the 90% deferral option. Under the Washington PGA mechanism, NW Natural defers 100% of the higher or lower actual gas costs, and those gas cost differences are passed on to customers through the annual PGA rate adjustment.

As of May 1, 2025, 0.2 million therms per day of deliverability and 0.3 Bcf of associated non-utility Mist gas storage capacity was recalled to serve core customers. Customer rate increases related to this recall began for Oregon customers on October 31, 2025, and November 1, 2025 for Washington customers.

CLIMATE COMMITMENT ACT. Washington has enacted the Climate Commitment Act (CCA), which establishes a comprehensive program that includes an overall limit for GHG emissions from major sources in the state that declines yearly. The program began January 1, 2023. In December 2024, the WUTC re-authorized a CCA cost recovery mechanism with a rate effective date of January 1, 2025. Under this mechanism, NW Natural recovers CCA costs and will defer any difference between forecasted and actual costs in the following year. Additionally, under the approved tariff, proceeds from the sale of allowances, which is required under the CCA, would be used to offset CCA compliance costs for low-income customers. Any remaining proceeds would benefit other customers through fixed bill credits or use in other carbon reduction programs.

Additionally in December 2023, the WUTC approved a request to modify NW Natural's CCA deferral to allow for the recovery of interest from customers based on the actual cash paid for purchases of allowances, less proceeds received from the sale of allowances.

EARNINGS TEST REVIEW. NW Natural is subject to an annual earnings review in Oregon to determine if the NW Natural business is earning above its authorized ROE threshold. If NW Natural business earnings exceed a specific ROE level, then 33% of the amount above that level is required to be deferred or refunded to customers. Under this provision, if NW Natural selects the 80% deferral gas cost option, then NW Natural retains all earnings up to 150 basis points above the currently authorized ROE. If NW Natural selects the 90% deferral option, then it retains all earnings up to 100 basis points above the currently authorized ROE. For the 2024-25 and 2025-26 gas years, NW Natural selected the 90% deferral option. The ROE threshold is subject to adjustment annually based on movements in long-term interest rates. For calendar years 2023, 2024, and 2025, the ROE threshold was 10.40%. NW Natural filed the 2025 earnings test in April 2026, indicating no customer credit adjustment based on results. NW Natural does not expect a customer credit adjustment for 2026 based on preliminary results of the earnings test.

DECOUPLING. In Oregon, NW Natural has a decoupling mechanism that covers residential and some commercial sales customers. Decoupling is intended to break the link between revenue and the quantity of gas consumed by customers, removing any financial incentive to discourage customers' efforts to conserve energy. This mechanism employs a use-per-customer decoupling calculation, which adjusts margin revenues to account for the difference between actual and expected customer volumes. The margin adjustment resulting from differences between actual and expected volumes under the decoupling component is recorded to a deferral account, which is included in the annual PGA filing. The 2025 Oregon general rate case reset the Oregon decoupling baseline usage per customer.

WARM. In Oregon, NW Natural has an approved weather normalization mechanism (WARM), which is applied to residential and small commercial customer bills. This mechanism is designed to help stabilize the collection of fixed costs by adjusting residential and small commercial customer billings based on temperature variances from average weather, with rate decreases when the weather is colder than average and rate increases when the weather is warmer than average. The mechanism is applied to bills from December through mid-May of each heating season. The mechanism adjusts the margin component of customers' rates to reflect average weather, which uses the 25-year average temperature for each day of the billing period. Daily average temperatures and 25-year average temperatures are based on a set point temperature of 59 degrees Fahrenheit for residential customers and 58 degrees Fahrenheit for commercial customers. The collections of any unbilled WARM amounts due to tariff caps and floors are deferred and earn a carrying charge until collected, or returned, along with the PGA the following year. Residential and small commercial customers in Oregon are allowed to opt out of the weather normalization mechanism, and as of March 31, 2026, 7% of total eligible customers had opted out. NW Natural does not have a weather normalization mechanism approved for Washington customers, which account for about 12% of total customers.

RENEWABLE NATURAL GAS AND AUTOMATIC ADJUSTMENT CLAUSE. Oregon Senate Bill 98 (SB 98) enables natural gas utilities to procure or develop RNG, including hydrogen, on behalf of their Oregon customers. The legislation and rules set voluntary goals for adding as much as 30% RNG into the state's pipeline system by 2050; enables gas utilities to invest in and own the cleaning and conditioning equipment required to bring raw biogas and landfill gas up to pipeline quality, as well as the facilities to connect to the local gas distribution system; and allowing up to 5% of a utility's revenue requirement to be used to cover the incremental cost or investment in RNG infrastructure.

Further, the law supports all forms of renewable natural gas including renewable hydrogen, which is made from excess wind, solar and hydro power. Renewable hydrogen can be used for the transportation system, industrial use, or blended into the natural gas pipeline system.

Investments in RNG facilities are recovered through an automatic adjustment clause that allows recovery of NW Natural's investments in RNG projects, including operating costs, to be added to rates annually on October 31st, following a prudence review. The RNG recovery mechanism allows NW Natural to defer for recovery or credit the differences between the forecasted and actual costs of the RNG projects, subject to an earnings test that includes deadbands at 50 basis points below and above NW Natural's authorized ROE. NW Natural has two investments that the OPUC has approved for recovery in rates. For 2025, NW Natural submitted this test to the OPUC in April 2026. No earnings test adjustment is expected for 2025. For RNG procurement contracts, NW Natural seeks recovery of the costs along with the PGA, subject to a prudence review.

ENVIRONMENTAL COST DEFERRAL AND RECOVERY. NW Natural has authorizations in Oregon and Washington to defer costs related to remediation of properties that are owned or were previously owned by NW Natural. In Oregon, a Site Remediation and Recovery Mechanism (SRRM) is currently in place to recover prudently incurred costs allocable to Oregon customers, subject to an earnings test. Effective beginning November 1, 2019, the WUTC authorized an Environmental Cost Recovery Mechanism (ECRM) for recovery of prudently incurred costs allocable to Washington customers.

Oregon SRRM

Under the Oregon SRRM collection process there are three types of deferred environmental remediation expense:

- Pre-review - This class of costs represents remediation spend that has not yet been deemed prudent by the OPUC. Carrying costs on these remediation expenses are recorded at NW Natural's authorized cost of capital. NW Natural anticipates the prudence review for annual costs and approval of the earnings test prescribed by the OPUC to occur by the third quarter of the following year.
- Post-review - This class of costs represents remediation spend that has been deemed prudent and allowed after applying the earnings test, but is not yet included in amortization. NW Natural earns a carrying cost on these amounts at a rate equal to the five-year treasury rate plus 100 basis points.
- Amortization - This class of costs represents amounts included in current customer rates for collection and is calculated as one-fifth of the post-review deferred balance. NW Natural earns a carrying cost equal to the amortization rate determined annually by the OPUC, which approximates a short-term borrowing rate. NW Natural included \$10.2 million and \$8.8 million of deferred remediation expense approved by the OPUC for collection during the 2025-26 and 2024-25 PGA years, respectively.

In addition, the SRRM also provides for the annual collection of \$5.0 million from Oregon customers through a tariff rider. As it collects amounts from customers, NW Natural recognizes these collections as revenue net of any earnings test adjustments and separately amortizes an equal and offsetting amount of the deferred regulatory asset balance through the environmental remediation operating expense line shown separately in the operating expenses section of the Consolidated Statements of Comprehensive Income (Loss). For additional information, see Note 17 in the 2025 Form 10-K.

The SRRM earnings test is an annual review of adjusted NW Natural ROE compared to authorized NW Natural ROE. To apply the earnings test NW Natural must first determine what if any costs are subject to the test through the following calculation:

Annual spend
Less: \$5.0 million base rate rider
Prior year carry-over ⁽¹⁾
\$5.0 million insurance + interest on insurance
Total deferred annual spend subject to earnings test
Less: over-earnings adjustment, if any
Add: deferred interest on annual spend ⁽²⁾
Total amount transferred to post-review

⁽¹⁾ Prior year carry-over results when the prior year amount transferred to post-review is negative. The negative amount is carried over to offset annual spend in the following year.

⁽²⁾ Deferred interest is added to annual spend to the extent the spend is recoverable.

To the extent the NW Natural business earns at or below its authorized ROE as defined in the SRRM, the total amount transferred to post-review is recoverable through the SRRM. To the extent more than authorized ROE is earned in a year, the amount transferred to post-review would be reduced by those earnings that exceed its authorized ROE. For 2025, NW Natural has submitted this test to the OPUC in April 2026. No earnings test adjustment is expected for 2025.

Washington ECRM

The ECRM established by the WUTC order effective November 1, 2019 permits NW Natural's recovery of environmental remediation expenses allocable to Washington customers. These expenses represent 3.32% of costs associated with remediation of sites that historically served both Oregon and Washington customers. The order allows for recovery of past deferred and future prudently incurred remediation costs allocable to Washington through application of insurance proceeds and collections from customers. Prudently incurred costs that were deferred from the initial deferral authorization in February 2011 through June 2019 were fully offset with insurance proceeds, with any remaining insurance proceeds to be amortized over a 10.5 year period. On an annual basis NW Natural will file for a prudence determination and a request to recover remediation expenditures in excess of insurance amortizations in the following year's customer rates. After insurance proceeds are fully amortized, if in a particular year the request to collect deferred amounts exceeds one percent of Washington normalized revenues, then the excess will be collected over three years with interest.

INTERSTATE STORAGE AND ASSET MANAGEMENT SHARING. On an annual basis, NW Natural credits amounts to Oregon and Washington customers as part of a regulatory incentive sharing mechanism related to net revenues earned from Mist gas storage for assets developed in advance of utility customer needs, and asset management revenues. In January 2026, the OPUC approved the annual 2026 bill credit for Oregon customers' share of interstate storage and asset management activities

totaling approximately \$23.2 million, which was credited to customers' bills in February 2026. This includes revenue generated for the November 2024 through October 2025 PGA year. Credits are given to customers in Washington as reductions in rates through the annual PGA filing in November.

MIST INTERSTATE GAS STORAGE. NW Natural's interstate storage activities at its Mist Storage facility are subject to regulation by the OPUC, WUTC, and the Federal Energy Regulatory Commission (FERC) with respect to, among other matters, rates and terms of service. The OPUC also regulates intrastate storage services at Mist, while FERC regulates interstate storage services at Mist. The FERC uses a maximum cost of service model which allows for gas storage prices to be set at or below the cost of service as approved by each agency in their last regulatory filing. The OPUC Schedule 80 rates are tied to the FERC rates, and are updated whenever NW Natural modifies FERC maximum rates. NW Natural is required under its Mist interstate storage certificate authority and rate approval orders to file every five years either a petition for rate approval or a cost and revenue study to change or justify maintaining the existing rates for its interstate storage services. NW Natural filed a rate petition with the FERC in August 2023 and the revised rates were effective beginning September 1, 2023.

Non-utility Mist storage capacity of 1.15 Bcf and 0.28 Bcf were recalled as of December 31, 2024, and 2025, respectively, to serve core utility customer needs. Customer rate impacts of this recall began on November 1, 2024, and 2025.

INTEGRATED RESOURCE PLAN (IRP). NW Natural generally files a full IRP biennially for Oregon and Washington with the OPUC and WUTC, respectively. NW Natural jointly filed its 2025 IRP for both Oregon and Washington on August 1, 2025. The 2025 IRP evaluates several scenarios based on a range of inputs and outlines the least-cost least-risk portfolio of resources required to meet future demand and environmental compliance obligations. With respect to IRPs generally, the WUTC issues letters of compliance and Oregon acknowledges the IRP Action Plan individually or in total. In April 2026, NW Natural received a letter of compliance from the WUTC. NW Natural anticipates that decisions from the OPUC will come in the first half of 2026.

OREGON ENERGY FAIRNESS AND AFFORDABILITY ACT. In 2025, the State of Oregon enacted the Oregon Energy Fairness and Affordability Act (HB 3179). HB 3179 authorizes the OPUC to consider broader economic indicators when evaluating rate proposals and limits the frequency and timing of rate increases for electric and natural gas utilities. Specifically, NW Natural and other utilities are restricted from filing a new general rate case within 18 months of the effective date of the last general rate increase until the earlier of January 2, 2027 or when the OPUC implements rules for multi-year rate plans. Utilities are permitted to seek cost deferral during this 18-month period. HB 3179 only allows utilities to increase rates from April 1 through October 31 (outside of the winter heating season) and requires utilities to, at least annually, publish forecasts of expected rate adjustments for the following 12 months. Additionally, under HB 3179 the OPUC has the authority to approve the issuance of rate recovery bonds to finance or refinance certain eligible utility capital expenditures, including a capital investment that will cause residential rates to increase by more than five percent. We expect that the new requirements may impact the timing and structure of future rate filings.

ALTERNATIVE RATE MECHANISM (ARM). On November 25, 2025, NW Natural filed a request to the OPUC for an alternative rate mechanism for the recovery of costs associated with certain capital expenditures placed into service prior to October 31, 2026, including certain discrete projects over \$1 million, information technology and services capital expenditures and public works projects. NW Natural's request includes an annual revenue requirement increase of \$15.6 million and a proposed effective date of October 31, 2026. The request remains subject to review by the OPUC and other stakeholders and approval by the OPUC.

SIENERGY

Most Recently Completed Rate Case

SiEnergy's natural gas distribution business is located in Texas and primarily serves customers in the Houston, Dallas, and Austin metropolitan areas. Under Texas' regulatory paradigm, original jurisdiction over natural distribution rates is shared between the Railroad Commission of Texas (RRC) and the municipalities where the utility provides service. The RRC has exclusive original jurisdiction over natural gas utility rates in areas outside of municipalities. A municipality has original jurisdiction over the rates, operations and services provided by any gas utility distributing natural gas within city or town limits, unless it has surrendered its original jurisdiction to the RRC. However, any municipal rate decision can be appealed to the RRC, which will conduct its own review, including compiling a new evidentiary record. SiEnergy's last general rate case was settled in 2023 with new rates effective in September 2023. As part of the black box settlement, SiEnergy's annual revenue requirement increased by \$5.5 million based on an approved net plant amount of approximately \$151.6 million through March 31, 2023. Given the nature of the black box settlement, SiEnergy's authorized rate of return and capital structure were not specified.

Regulatory Proceeding Updates

2026 RATE CASE. On May 4, 2026, SiEnergy Gas, LLC (SiEnergy Gas), Pines Gas, Inc. and Pines Gas Development, Inc. filed a request for a general rate increase with the RRC. The filing seeks to consolidate the corporate and regulatory structures of these entities – including all of their assets and liabilities – into SiEnergy Gas as the surviving entity. The filing further requests the establishment of system-wide rates. The filing requests an overall revenue requirement increase of \$12.0 million, reflecting a 16.1% increase in such entities' overall combined revenue, including gas costs. The filing also includes a request to establish baseline factors for future interim rate adjustment filings under Texas' Gas Reliability Infrastructure Program, which allows,

subject to refund, recovery on and of incremental changes in invested capital between rate cases (subject to a prudence review). The request is based on the following assumptions or requests:

- Capital structure of 40% long-term debt and 60% equity;
- Return on equity of 10.75%;
- Cost of long-term debt of 5.69%; and
- Cost of capital of 8.73%.

SiEnergy's filing will be reviewed by the RRC and other stakeholders. New rates are expected to take effect in the fourth quarter of 2026.

TEXAS HOUSE BILL 4384. In June 2025, Texas House Bill 4384 was signed into law, allowing gas utilities in Texas to defer, and later recover, specific costs related to property, plant and equipment placed in service, but not yet reflected in base rates, including depreciation, ad valorem taxes, and carrying cost. SiEnergy applied the new provisions to property, plant and equipment placed in service but not yet reflected in rates in the first quarter of 2026. The impact was not material for the first quarter results.

CUSTOMER RATE RELIEF BONDS. In February 2022, the RRC issued a Financing Order to the Texas Public Financing Authority (TPFA) authorizing the issuance of the customer rate relief bonds to securitize the aggregated extraordinary costs associated with Winter Storm Uri for all participating natural gas utilities. In March 2023, the bonds were issued by the TPFA and \$18.8 million of proceeds were received by SiEnergy. The majority of the proceeds were used to pay down the related long-term debt. SiEnergy began billing and collecting customer rate relief charges from customers in October 2023. Customer rate relief charges collected by SiEnergy are owned by the TPFA and are remitted to the TPFA on a monthly basis.

WNA. SiEnergy's service areas utilize weather normalization mechanisms (WNA). These mechanisms are designed to reduce the delivery charge component of customer's bills for the additional volumes used when actual heating degree days (HDDs) exceed normalized HDDs and to increase the delivery charge component of customers' bills for the reduction in volumes used when actual HDDs are less than normal HDDs.

NWN WATER

The wholly-owned and non-wholly-owned regulated water businesses of NWN Water are subject to regulation by the utility commissions in the states in which they are located, which currently includes Oregon, Washington, Arizona, Idaho, and Texas. The wholly-owned regulated wastewater businesses of NWN Water are subject to regulation by the utility commissions in the states in which they are located, which currently includes Texas and Arizona. In addition, NWN Water includes wholly-owned unregulated wastewater businesses in Oregon, Washington, and Idaho.

Most Recently Completed Rate Cases

Entity	State	Regulator	Revenue Requirement Increase (in millions)	Rate Effective Date	Equity Ratio	Return on Equity	Outcome
Foothills Utilities	Arizona	ACC	Water: \$0.9 Wastewater: 3.0	11/1/2024	55.00%	9.55%	Settled
Sunriver Water	Oregon	OPUC	Water: 0.4	11/1/2024	n/a	n/a	Settled
Avion Water ⁽¹⁾	Oregon	OPUC	1.3	2/1/2025	51.35%	9.50%	Settled
Suncadia Water	Washington	WUTC	0.3	7/1/2025	n/a	n/a	Settled
Gem State Water	Idaho	IPUC	0.4	8/1/2025	55.00%	9.80%	Settled
Falls Water	Idaho	IPUC	0.6	9/1/2025	55.00%	9.80%	Settled
Cascadia Water	Washington	WUTC	1.1	10/21/2025	n/a	n/a	Litigated
South Coast Water	Oregon	OPUC	0.023	8/15/2025	n/a	9.50%	Settled
Seavey Loop Water	Oregon	OPUC	0.043	10/1/2025	n/a	9.50%	Settled

⁽¹⁾ NWN Water owns a 50.0% stake in Avion Water.

Regulatory Proceeding Updates

- Foothills Utilities implemented, effective June 24, 2025, a surcharge associated with its new wastewater reclamation facility that is designed to recover an additional \$0.75 million of revenue requirement annually.
- Salmon Valley Water, Sunstone Water, Lakeshore Water, Seavey Loop Water, and South Coast Water, regulated water companies in Oregon, filed a consolidated general rate case in the fourth quarter of 2025. The rate case is ongoing.
- On April 1, 2026, Foothills Utilities filed a request for general rate revision with the Arizona Corporation Commission (ACC) for Foothills Yuma. On April 30, 2026, Foothills Utilities filed requests for general rate revision with the ACC for

Foothills Kingman West and Foothills Kingman East, respectively. The filings requested an aggregate revenue increase of \$3.8 million for water and \$0.7 million for wastewater. NWN Water filed to seek consolidation of these rate cases on May 4, 2026.

- On March 31, 2026, Blue Topaz filed a request for a general rate revision with the Public Utility Commission of Texas. The application included increases for water service of approximately \$2.1 million, and \$0.6 million for wastewater service.
- On April 10, 2026, Avion filed a request for a general rate revision with the Oregon Public Utilities Commission. In the application, Avion is seeking an annual revenue increase of \$1.4 million.

Environmental Regulation and Legislation Matters

Certain of our businesses, including our natural gas businesses, are subject to or likely to be affected by current or future legislation, regulation, directed government funding, penalties for non-compliance, litigation and other forms of policies or actions seeking to regulate GHG emissions, including, but not limited to: GHG emissions limits, reporting requirements, carbon taxes, requirements to purchase carbon credits, building codes, efficiency standards, charges to fund energy efficiency activities or other regulatory actions, incentives or mandates to conserve energy or use renewable energy sources, tax advantages or other subsidies to support alternative energy sources, a reduction in rate recovery for construction costs related to the installation of new customer services or other new infrastructure investments, mandates for the use of specific fuels or technologies, bans on specific fuels or technologies, or promotion of research into new technologies to reduce the cost and increase the scalability of alternative energy sources.

Federal

Historically, federal agencies have regulated GHG emissions. For example, under the Clean Air Act, our natural gas distribution businesses have been required to report system throughput to the EPA on an annual basis. The EPA also has required additional GHG reporting regulations applicable to NW Natural, requiring the annual reporting of fugitive emissions from operations. Although the EPA has revoked the endangerment findings for GHG emissions and has announced proposed rules rescinding these reporting requirements, we were subject to these reporting requirements in 2025 and remain subject to such requirements until the EPA's rules are finalized and become effective.

Upon taking office in January 2025, President Trump has advanced federal policies to promote energy independence and revoke Biden administration climate initiatives. We expect continued changes to climate policy under the Trump Administration, such as additional executive orders, regulations, programs and other federal actions. We are currently evaluating these developments but cannot predict the timing, form, or potential impact of future federal actions on our business.

Oregon

In November 2024, the Environmental Quality Commission of the Oregon Department of Environmental Quality (ODEQ) issued final cap and reduce rules for its Climate Protection Program (CPP), which became effective on January 1, 2025. The CPP establishes a program to reduce GHG emissions from covered entities, including natural gas utilities, by 50% by 2035 and 90% by 2050 from a 2017-2019 baseline. The first compliance period for the CPP concludes December 31, 2027. ODEQ previously promulgated CPP rules in December 2021, but the Oregon Court of Appeals invalidated these previous CPP rules in December 2023 for the agency's failure to comply with rulemaking requirements under state law. A coalition of 29 labor organizations, businesses, trade associations, and utilities, including NW Natural, are currently challenging the CPP in the Oregon Court of Appeals.

NW Natural received an order from the OPUC authorizing deferral of costs under the prior CPP and current CPP. The first compliance period for the CPP has begun. Through 2025, NW Natural has not exceeded its limit on the GHG emissions the CPP attributes to it under the program. NW Natural is currently recovering in Oregon rates costs associated with RNG, as well as costs related to NW Natural's transportation energy efficiency program, all of which reduce NW Natural's compliance obligation under the CPP. NW Natural will continue to pursue recovery of costs associated with CPP compliance in rates.

On October 25, 2024, the OPUC issued its final order related to our 2024 Oregon General Rate Case, approving the parties' Stipulations and resolving remaining open items. The OPUC also ordered the phase out of NW Natural's line extension allowance and ordered a downward adjustment to rate base of undepreciated line extension costs. NW Natural filed an appeal with the Oregon Court of Appeals on December 23, 2024, challenging the determination and the authority of the OPUC to take these actions and this litigation remains pending.

Washington State

In 2025, Washington comprised approximately 8% of NW Natural's revenues, as well as 2% and 14% of new meters from commercial and residential customers, respectively.

Effective February 2021, Washington state building codes (WSEC-2018) require new residential homes to meet energy efficiency standards based on carbon emissions assumptions that consider electric appliances to have lower on-site GHG emissions than comparable gas appliances. This increases the cost of constructing new homes with natural gas depending on a number of factors including home size, equipment configurations, and building envelope measures. In March 2024, rules enacted by the Washington State Building Code Council (SBCC) (WSEC-2021) took effect that modified the 2021 codes, and collectively, these rules generally have the effect of restricting or eliminating the use of gas space and water heating in new commercial and residential construction. The SBCC rules are currently subject to pending legal challenges.

In November 2024, Washington Ballot initiative I-2066 was passed. I-2066 was described on the ballot as prohibiting state and local governments from restricting access to natural gas, prohibiting the SBCC from discouraging or penalizing the use of natural gas in any building, requiring providers of natural gas to provide energy services regardless of the other energy sources available, and prohibiting the Washington Utilities and Transportation Commission (WUTC) from approving any multiyear rate plan requiring or incentivizing a natural gas company to terminate natural gas service or make such natural gas service cost-prohibitive. Although the SBCC has indicated that the current SBCC codes will remain in place while the SBCC investigates any changes necessary under I-2066, the King County Washington Superior Court recently issued a ruling declaring I-2066 invalid under the Washington state constitution. Washington State and the Building Industry Association of Washington have appealed such litigation, which is pending in the Washington Supreme Court. We cannot currently predict the ultimate outcome of such appeal, or if there will be any further changes to the SBCC codes.

In 2022, the state of Washington enacted the Climate Commitment Act (CCA), which establishes a comprehensive program that includes an overall limit for GHG emissions from major sources in the state that declines yearly beginning January 1, 2023, resulting in an overall reduction of GHG emissions to 95% below 1990 levels by 2050. The Washington Department of Ecology has adopted rules to create a cap-and-invest program, under which entities, including natural gas and electric utilities, large manufacturing facilities, and transportation and other fuel providers, which are subject to the CCA must either reduce their emissions, purchase qualifying offsets (including RNG) or obtain allowances to cover any remaining emissions. NW Natural is subject to the CCA, has received an order authorizing deferral of CCA costs from the WUTC, and is currently recovering CCA compliance costs in rates. CCA compliance costs represent a 4.6% increase on residential bills as of January 1, 2025. Low-income customers do not participate in these compliance costs and are not impacted.

Local Jurisdictions and Other Advocacy

Advocacy groups have indicated a willingness to pursue municipal ordinances and ballot measures or other local activities disincentivizing gas infrastructure. A number of cities or counties across the country have taken action, and several in our service territory are considering actions such as limitations or bans on the use of natural gas in new construction or otherwise. For example, the Eugene City Council continues to develop a plan to address GHG emissions, align incentives around GHG emissions and to engage in a number of actions, including identifying potential revenue sources, like a gas supplier tax. Similarly, some jurisdictions and advocates are seeking to ban the use of natural gas and certain natural gas appliances inside homes contending that there are detrimental indoor health effects associated with the use of natural gas.

NW Natural is actively engaged with federal, state and local policymakers, consumers, customers, small businesses and other business coalitions, economic development practitioners, and other advocates in our service territory and is working with these communities to communicate the role that direct use natural gas, and in the coming years, RNG and hydrogen, can play in pursuing more effective policies to reduce GHGs while supporting reliability, resiliency, energy choice, equity, and energy affordability.

NW Natural Climate Initiatives and Compliance Actions

We expect that compliance with any form of regulation of GHG emissions will require additional resources and legislative or regulatory tools and will increase costs. The evolving guidance to implement the CCA and CPP, evolving carbon credit markets, decades-long compliance timeframes, likely changes in law and policy, and technological advancements, all make it difficult to accurately predict long-term tools and compliance costs for NW Natural. NW Natural has modeled pathways to compliance with the CCA and CPP in its most recent IRP. While costs associated with each possible compliance pathway differ, we are currently recovering costs associated with compliance with the CCA and CPP in rates.

Limitations on natural gas use, or declining line extension allowances provided in rates to cover construction costs for new services, carbon compliance costs included in rates reduce the competitiveness of our business and the demand for natural gas service. However, at the same time, other sources of energy are or will be subject to, GHG-related compliance requirements that are likely to affect their cost and competitiveness relative to natural gas. For example, Oregon's HB 2021 and Washington's SB 5116 require certain GHG emissions reductions from electric utilities. We expect compliance with these and other laws will increase the cost of energy for electric customers in our service territory. We are not able to determine at this time whether these developments will make natural gas use more or less competitive on a relative basis.

We further expect these and other trends to drive innovation of, and demand for, technological developments and innovative new products that reduce GHG emissions. Research and development are occurring across the energy sector, including in the gas sector with work being conducted on gas heat pumps, higher efficiency water and space heating appliances including hybrid systems, carbon capture utilization and storage developments, continued development of technologies related to RNG, and various forms of hydrogen for different applications, among others.

FINANCIAL CONDITION

Cash Flows

The following discussion of changes in cash flows refers to the consolidated results of NW Holdings, the substantial majority of which consist of the operating results of NW Natural. When significant activity exists at NW Holdings that does not exist at NW Natural, additional disclosure has been provided.

Operating Activities

Changes in operating cash flows are primarily affected by net income or loss, changes in working capital requirements, and other cash and non-cash adjustments to operating results.

<i>In thousands</i>	Three Months Ended March 31,		YTD Change
	2026	2025	
NW Holdings cash provided by operating activities	\$ 116,127	\$ 179,610	\$ (63,483)
NW Natural cash provided by operating activities	108,334	181,230	(72,896)

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025. Cash provided by operating activities decreased \$63.5 million at NW Holdings and \$72.9 million at NW Natural. The significant factors contributing to the decrease at NW Natural were as follows:

- \$27.3 million increase in cash paid for inventories;
- \$25.2 million decrease in accounts payable; and
- \$14.4 million decrease in decoupling mechanism.

The decrease in cash provided by operating activities at NW Holdings was primarily driven by the NW Natural factors discussed above.

NW Holdings and NW Natural have lease and purchase commitments relating to their operating activities that are financed with cash flows from operations. For information on cash flow requirements related to leases and other purchase commitments, see Note 7 and Note 16 in the 2025 Form 10-K.

Investing Activities

<i>In thousands</i>	Three Months Ended March 31,		YTD Change
	2026	2025	
NW Holdings cash used by investing activities	\$ (116,053)	\$ (374,975)	\$ 258,922
NW Natural cash used in investing activities	(80,524)	(84,753)	4,229

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025. Cash used by investing activities decreased \$258.9 million at NW Holdings and decreased \$4.2 million at NW Natural. The decrease in cash used by investing activities at NW Holdings was primarily driven by the acquisition of SiEnergy on January 7, 2025, for which \$271.1 million in cash consideration was paid. In addition, NW Holdings capital expenditures increased by \$11.5 million, driven by continued investment in our natural gas, water and wastewater utility systems.

NW Holdings capital expenditures for 2026 are expected to be in the range of \$500 million to \$550 million and for the five-year period from 2026 to 2030 are expected to range from \$2.6 billion to \$2.9 billion. NW Natural capital expenditures for 2026 are expected to be in the range of \$340 million to \$370 million and for the five-year period from 2026 to 2030 are expected to be approximately \$1.6 billion to \$1.8 billion. SiEnergy capital expenditures for 2026 are expected to be in the range of \$110 million to \$120 million and for the five-year period from 2026 to 2030 are expected to be in the range of \$750 million to \$800 million. NW Natural Water capital expenditures for 2026 are expected to be in the range of \$50 million to \$60 million and for the five-year period from 2026 to 2030 are expected to be in the range of \$250 million to \$300 million.

The timing and amount of the core capital expenditures and projects for 2026 and the next six years could change based on regulation, growth, and cost estimates. Additional investments in our infrastructure during and after 2026 that are not incorporated in the estimates provided above will depend largely on additional regulations, growth, and expansion opportunities. Required funds for the investments are expected to be internally generated or financed with long-term debt or equity, as appropriate.

North Mist Gas Storage Facility

The North Mist gas storage facility began operations in 2019. The North Mist facility provides long-term, no-notice underground gas storage service and is dedicated solely to Portland General Electric (PGE) under a 30-year contract with options to extend up to an additional 50 years upon mutual agreement of the parties. PGE uses the facility to fuel its gas-fired electric power generation facilities.

North Mist includes a reservoir providing 4.1 Bcf of available storage, a compressor station with a contractual capacity of 120,000 dekatherms of gas deliverability per day, no-notice service that can be drawn on rapidly, and a 13-mile pipeline to connect to PGE's Port Westward gas plants in Clatskanie, Oregon.

The facility is included in rate base under an established tariff schedule with revenues recognized consistent with the schedule. Billing rates are updated annually to the forecasted depreciable asset level and forecasted operating expenses.

Mist Additional Expansion Potential

Mist has a number of depleted reservoirs that have not been developed into storage at this time. As a result, NW Natural has additional expansion opportunities in the Mist storage field. To explore our opportunities, we applied for an Energy Facility Siting Council (EFSC) permit and received approval in January 2025. The permit provides flexibility for potential upgrades and expansions. In February 2026, we announced a planned 4-5 Bcf expansion at our North Mist gas storage facility. This expansion is subject to certain conditions including the customers' final approval of project costs and notice to proceed. Storage expansion projects take multiple years to develop and put into service. We have not included any storage expansion costs within our planned capital expenditures outlined in "Financial Conditions – Investing Activities". Any future expansion would be based on market demand, cost effectiveness, available financing, receipt of future permits, and other rights.

Financing Activities

<i>In thousands</i>	Three Months Ended March 31,		YTD Change
	2026	2025	
NW Holdings cash (used in) provided by financing activities	\$ (779)	\$ 254,368	\$ (255,147)
NW Natural cash used by financing activities	(31,860)	(37,228)	5,368

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO MARCH 31, 2025. Cash (used in) provided by financing activities decreased \$255.1 million at NW Holdings and cash used by financing activities decreased \$5.4 million at NW Natural.

The decrease in cash (used in) provided by financing activities at NW Holdings was primarily driven by lower issuances of long-term debt, partially offset by lower repayments of short-term debt, lower proceeds from common stock issuances, and higher repayments on long-term debt.

The decrease in cash used by financing activities at NW Natural was primarily attributable to an increase in short-term debt repayments, net of a decrease in cash contributions received from NW Holdings.

Capital Structure

NW Holdings' long-term goal is to maintain a strong and balanced consolidated capital structure. NW Natural targets a regulatory capital structure of 50% common equity and 50% long-term debt, which is consistent with approved regulatory allocations in Oregon, which has an allocation of 50% common equity and 50% long-term debt without recognition of short-term debt.

When additional capital is required, debt or equity securities are issued depending on both the target capital structure and market conditions. These sources of capital are also used to fund long-term debt retirements and short-term commercial paper maturities. See "Liquidity and Capital Resources" below and Note 9. Achieving our target capital structure and maintaining sufficient liquidity to meet operating requirements is necessary to maintain attractive credit ratings and provide access to the capital markets at reasonable costs.

NW Holdings' consolidated capital structure, excluding short-term debt, was as follows:

	March 31,		December 31,
	2026	2025	2025
Common equity	39.3 %	39.5 %	37.7 %
Long-term debt (including current maturities)	60.7	60.5	62.3
Total	100.0 %	100.0 %	100.0 %

NW Natural's consolidated capital structure, excluding short-term debt, was as follows:

	March 31,		December 31,
	2026	2025	2025
Common equity	50.8 %	52.6 %	49.6 %
Long-term debt (including current maturities)	49.2	47.4	50.4
Total	100.0 %	100.0 %	100.0 %

As of March 31, 2026 and 2025, and December 31, 2025, NW Holdings' consolidated capital structure included common equity of 37.7%, 38.7% and 36.2%; long-term debt of 54.4%, 58.2% and 55.7%; and short-term debt including current maturities of long-term debt of 7.9%, 3.1% and 8.1%, respectively. As of March 31, 2026 and 2025, and December 31, 2025, NW Natural's consolidated capital structure included common equity of 50.8%, 52.6%, and 49.4%; long-term debt of 47.4%, 46.4% and 48.5%; and short-term debt including current maturities of long-term debt of 1.8%, 1.0%, and 2.1%, respectively.

Liquidity and Capital Resources

At March 31, 2026 and 2025, NW Holdings had approximately \$34.9 million and \$100.1 million, and NW Natural had approximately \$24.3 million and \$81.8 million of cash and cash equivalents, respectively. In order to maintain sufficient liquidity during periods when capital markets are volatile, NW Holdings and NW Natural may elect to maintain higher cash balances and add short-term borrowing capacity. NW Holdings and NW Natural may also pre-fund their respective capital expenditures when long-term fixed rate environments are attractive. NW Holdings and NW Natural expect to have ample liquidity in the form of cash on hand and from operations and available credit capacity under credit facilities to support funding needs.

ATM Equity Program

In August 2024, the Finance Committee of the NW Holdings' Board of Directors authorized NW Holdings' sale of \$200 million in the aggregate gross sales price under the ATM equity program. NW Holdings is under no obligation to offer and sell common stock under the ATM equity program. Any shares of common stock offered under the ATM equity program are registered on NW Holdings' universal shelf registration statement filed with the SEC, which expires August 2027, or will be registered on a subsequent registration statement to be filed by NW Holdings.

During the three months ended March 31, 2026, NW Holdings issued and sold 441,034 shares of common stock pursuant to the ATM equity program resulting in cash proceeds of \$22.2 million, net of fees and commissions paid to agents of \$0.3 million. As of March 31, 2026, \$75.2 million of equity remained available for issuance under the ATM equity program.

NW Holdings

For NW Holdings, short-term liquidity is primarily provided by cash balances, dividends from its operating subsidiaries, proceeds from the sale of commercial paper notes, as well as a multi-year credit facility, and short-term credit facilities. NW Holdings also has a universal shelf registration statement filed with the SEC for the issuance of debt and equity securities. NW Holdings long-term debt and equity issuances are primarily used to provide equity contributions to NW Holdings' operating subsidiaries for operating and capital expenditures and other corporate purposes. NW Natural also has a universal shelf registration statement filed with the SEC for the issuance of debt securities. NW Holdings' issuance of securities is not subject to regulation by state public utility commissions, but the dividends from NW Natural to NW Holdings are subject to regulatory ring-fencing provisions. NW Holdings guarantees the debt of its wholly-owned subsidiary, NWN Water. See "*Long-Term Debt*" below for more information regarding NWN Water debt.

As part of the ring-fencing conditions agreed upon with the OPUC and WUTC in connection with the holding company reorganization, NW Natural may not pay dividends or make distributions to NW Holdings if NW Natural's credit ratings and common equity ratio, defined as the ratio of equity to long-term debt, fall below specified levels. If NW Natural's long-term secured credit ratings are below A- for S&P and A3 for Moody's, dividends may be issued so long as NW Natural's common equity ratio is 45% or more. If NW Natural's long-term secured credit ratings are below BBB for S&P and Baa2 for Moody's, dividends may be issued so long as NW Natural's common equity ratio is 46% or more. Dividends may not be issued if NW Natural's long-term secured credit ratings are BB+ or below for S&P or Ba1 or below for Moody's, or if NW Natural's common equity ratio is below 44%, where the ratio is measured using common equity and long-term debt excluding imputed debt or debt-like lease obligations. In each case, common equity ratios are determined based on a preceding or projected 13-month average. In addition, there are certain OPUC notice requirements for dividends in excess of 5% of NW Natural's retained earnings, or more than 10% of its retained earnings over a six-month period, and for special cash dividends paid in addition to regularly quarterly dividends.

Additionally, if NW Natural's common equity (excluding goodwill and equity associated with non-regulated assets), on a preceding or projected 13-month average basis, is less than 46% of NW Natural's capital structure, NW Natural is required to notify the OPUC, and if the common equity ratio falls below 44%, file a plan with the OPUC to restore its equity ratio to 44%. This condition is designed to ensure NW Natural continues to be adequately capitalized under the holding company structure. Under the WUTC order, the average common equity ratio must not exceed 56%.

At March 31, 2026, NW Natural satisfied the ring-fencing provisions described above.

Based on several factors, including current cash reserves, committed credit facilities, its ability to receive dividends from its operating subsidiaries, in particular NW Natural, and an expected ability to issue long-term debt and equity securities in the capital markets, NW Holdings believes its liquidity is sufficient to meet anticipated cash requirements, including all contractual obligations, investing, and financing activities as discussed in "*Cash Flows*" above, for at least the next 12 calendar months beginning April 1, 2026 and beyond such 12-month period based on NW Holdings' current business plans.

NW HOLDINGS DIVIDENDS. Quarterly dividends have been paid on common stock each year since NW Holdings' predecessor's stock was first issued to the public in 1951. Annual common stock dividend payments per share, adjusted for stock splits, have increased each year since 1956. The declarations and amount of future dividends to shareholders will depend upon earnings, cash flows, financial condition, NW Natural's ability to pay dividends to NW Holdings and other factors. The amount and timing of dividends payable on common stock is at the sole discretion of the NW Holdings Board of Directors.

Dividend highlights include:

Per common share	Three Months Ended March 31,		YTD Change
	2026	2025	
Dividends paid	\$ 0.4925	\$ 0.4900	\$ 0.0025

In April 2026, the Board of Directors of NW Holdings declared a quarterly dividend on NW Holdings common stock of \$0.4925 per share. The dividend is payable on May 15, 2026 to shareholders of record on April 30, 2026, reflecting an annual indicated dividend rate of \$1.97 per share.

NW Natural

For the NW Natural business segment, short-term borrowing requirements typically peak during colder winter months when NW Natural borrows money to cover the lag between natural gas purchases and bill collections from customers. Short-term liquidity for the NW Natural business is primarily provided by cash balances, internal cash flow from operations, proceeds from the sale of commercial paper notes, as well as available cash from multi-year credit facilities, short-term credit facilities, company-owned life insurance policies, the sale of long-term debt, and equity contributions from NW Holdings. NW Natural's long-term debt and contributions from NW Holdings are primarily used to finance NW Natural capital expenditures, refinance maturing debt, and provide temporary funding for other general corporate purposes of the NW Natural business.

Based on its current debt ratings (see "Credit Ratings" below), NW Natural has been able to issue commercial paper and long-term debt at attractive rates. In the event NW Natural is not able to issue new long-term debt due to adverse market conditions or other reasons, NW Natural expects that near-term liquidity needs can be met using internal cash flows, issuing commercial paper, receiving equity contributions from NW Holdings, or drawing upon a committed credit facility. NW Natural also has a universal shelf registration statement filed with the SEC for the issuance of secured and unsecured debt securities.

In the event NW Natural senior unsecured long-term debt ratings are downgraded, or outstanding derivative positions exceed a certain credit threshold, counterparties under derivative contracts could require NW Natural to post cash, a letter of credit, or other forms of collateral, which could expose NW Natural to additional cash requirements and may trigger increases in short-term borrowings while in a net loss position. NW Natural was not required to post collateral at March 31, 2026. See "Credit Ratings" below and Note 15.

Other items that may have a significant impact on NW Natural's liquidity and capital resources include NW Natural's pension contribution requirements and environmental expenditures. For additional information, see Part II, Item 7 "Financial Condition" in the 2025 Form 10-K.

NWN Renewables Gas Purchase Agreements

NWN Renewables is an unregulated subsidiary of NW Natural Holdings established to pursue unregulated RNG activities. In September 2021, a subsidiary of NWN Renewables, Ohio Renewables, and a subsidiary of EDL, a global producer of sustainable distributed energy, executed agreements to secure RNG supply from two production facilities that are designed to convert landfill waste gases to RNG (EDL Facilities). The first facility was completed and commenced delivery of RNG to Ohio Renewables in September 2024. Upon reaching this milestone, Ohio Renewables paid approximately \$26.0 million to the EDL subsidiary. The second facility was completed and commenced delivery of RNG to Ohio Renewables in December 2024 at which point Ohio Renewables made an additional payment of \$25.4 million to the EDL subsidiary.

Alongside these development agreements, Ohio Renewables and the subsidiary of EDL executed agreements for Ohio Renewables to purchase up to an annual specified amount of RNG produced by the EDL Facilities over a 20-year period at a contractually specified price. In December 2025, Ohio Renewables entered into an agreement to purchase up to an annual specified amount of RNG produced by the EDL Facilities from a separate investment-grade counterparty over an 11-year period at a contractually specified price. Purchase volumes for each agreement are variable based on production, and purchases may not exceed contracted amounts. We currently estimate the amount of RNG purchases based on prices and estimated production volumes specified in the agreements to be \$31.4 million in 2027, \$31.6 million in 2028, \$30.8 million in 2029, \$31.4 million in 2030 and \$599.3 million thereafter. Year-to-date purchases through Q1 totaled \$4.1 million, for total expected purchases of \$20.9 million in 2026.

NWN Renewables Gas Sale Agreements

Ohio Renewables has contracted to sell RNG produced by the EDL Facilities up to certain specified volumes in each of calendar years 2024 through 2026 to an investment-grade counterparty. We currently estimate RNG volumes to be sold pursuant to this agreement to be approximately 2,370,000 MMBtu over the life of the agreement, provided that such amounts of RNG are produced by the EDL Facilities during that period.

Ohio Renewables additionally has contracted to sell a fixed-volume amount of RNG under a long-term agreement with an investment-grade utility beginning in 2025 and extending through 2044. Amounts to be delivered under this agreement are estimated to be 375,000 MMBtu in 2026, 1,950,000 MMBtu annually in 2027 through 2030, 2,325,000 MMBtu annually in 2031 through 2034, 2,775,000 MMBtu annually in years 2035 through 2043 and 1,513,770 MMBtu in 2044. Under the current contract,

if less than 75% of the contracted volumes of RNG are not delivered on an annual basis, Ohio Renewables is obligated to pay the per MMBtu price for volumes between the amount delivered and 75% of the contracted volumes on an annual basis.

Short-Term Debt

At March 31, 2026, March 31, 2025 and December 31, 2025, short-term debt consisted of the following:

<i>In millions</i>	March 31, 2026		March 31, 2025		December 31, 2025	
	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾
Commercial Paper Borrowings - NW Holdings ⁽²⁾	\$ 171.3	4.1 %	\$ —	— %	\$ 162.0	4.1 %
Commercial Paper Borrowings - NW Natural	—	— %	—	— %	10.0	4.0 %
NW Holdings Credit Agreement Loans	—	— %	81.1	5.5 %	—	— %
Total short-term debt	<u>\$ 171.3</u>		<u>\$ 81.1</u>		<u>\$ 172.0</u>	

⁽¹⁾ Weighted average interest rate on outstanding short-term debt

⁽²⁾ NW Holdings initiated a commercial paper program in March 2025.

Credit Agreements

NW Holdings

At March 31, 2026, NW Holdings had a \$250 million credit agreement with a feature that allows NW Holdings to request increases to the total commitment amount up to a maximum of \$350 million (subject to lender approval). The maturity date of the agreement is November 3, 2030 (or, if such day is not a business day, the immediately preceding business day), with available extensions of commitments for two additional one-year periods, subject to lender approval.

All lenders under the NW Holdings credit agreement are major financial institutions with committed balances and investment grade credit ratings as of March 31, 2026 as follows:

<i>In millions</i>	
Lender rating, by category	Loan Commitment
AA/Aa	\$ 194
A/A1	56
Total	<u>\$ 250</u>

NW Holdings did not have any outstanding balances drawn under the NW Holdings credit agreement at March 31, 2026 and at December 31, 2025. There was \$81.1 million of outstanding balances under the NW Holdings agreement at March 31, 2025.

The NW Holdings credit agreement permits the issuance of letters of credit in an aggregate amount of up to \$40 million. The principal amount of borrowings under the credit agreement is due and payable on the maturity date. The credit agreement requires NW Holdings to maintain a consolidated indebtedness to total capitalization ratio of 70% or less. Failure to comply with this covenant would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. NW Holdings was in compliance with this covenant at March 31, 2026 and 2025, with consolidated indebtedness to total capitalization ratios of 59.1% and 57.7%, respectively.

The NW Holdings credit agreement also requires NW Holdings to maintain debt ratings (which are defined by a formula using NW Natural's credit ratings in the event NW Holdings does not have a credit rating) with Standard & Poor's (S&P) and Moody's Investors Service, Inc. (Moody's) and notify the lenders of any change in its senior unsecured debt ratings or senior secured debt ratings, as applicable, by such rating agencies. A change in NW Holdings' debt ratings by S&P or Moody's is not an event of default, nor is the maintenance of a specific minimum level of debt rating a condition of drawing upon the credit agreement. Rather, interest rates on any loans outstanding under the credit agreements are tied to debt ratings and therefore, a change in the debt rating would increase or decrease the cost of any loans under the credit agreements when ratings are changed. See "Credit Ratings" below.

NW Holdings had no letters of credit issued and outstanding at March 31, 2026 and 2025.

NW Natural

At March 31, 2026, NW Natural had a \$400 million credit agreement, with a feature that allows NW Natural to request increases in the total commitment amount, up to a maximum of \$600 million, subject to lender approval. The maturity date of the agreement is November 3, 2030 (or, if such day is not a business day, the immediately preceding business day), with available extensions of commitments for two additional one-year periods, subject to lender approval.

All lenders under the NW Natural credit agreement are major financial institutions with committed balances and investment grade credit ratings as of March 31, 2026 as follows:

In millions

Lender rating, by category	Loan Commitment
AA/Aa	\$ 310
A/A1	90
Total	<u>\$ 400</u>

NW Natural did not have any outstanding balances drawn under the NW Natural credit agreement at March 31, 2026, March 31, 2025 and December 31, 2025.

The NW Natural credit agreement permits the issuance of letters of credit in an aggregate amount of up to \$60 million. The principal amount of borrowings under the credit agreement is due and payable on the maturity date. The credit agreement requires NW Natural to maintain a consolidated indebtedness to total capitalization ratio of 70% or less. Failure to comply with this covenant would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. NW Natural was in compliance with this financial covenant at March 31, 2026 and 2025, with consolidated indebtedness to total capitalization ratios of 49.2% and 47.4%, respectively.

The NW Natural credit agreement also requires NW Natural to maintain credit ratings with S&P and Moody's and notify the lenders of any change in NW Natural's senior unsecured debt ratings or senior secured debt ratings, as applicable, by such rating agencies. A change in NW Natural's debt ratings by S&P or Moody's is not an event of default, nor is the maintenance of a specific minimum level of debt rating a condition of drawing upon the credit agreement. Rather, interest rates on any loans outstanding under the credit agreement are tied to debt ratings and therefore, a change in the debt rating would increase or decrease the cost of any loans under the credit agreement when ratings are changed. See "*Credit Ratings*" below.

NW Natural had no letters of credit issued and outstanding at March 31, 2026 and 2025.

SiEnergy

At March 31, 2026, SiEnergy Holding, LLC (SiEnergy Holdings) had a \$75 million senior unsecured credit agreement, with a feature that allows SiEnergy to request increases in the total commitment amount, up to a maximum of \$125 million, subject to lender approval. The maturity date of the SiEnergy Holdings credit agreement is November 3, 2030 (or, if such day is not a business day, the immediately preceding business day), with available extensions of commitments for two additional one-year periods, subject to lender approval. There were no outstanding balances under the SiEnergy agreement at March 31, 2026.

All lenders under the SiEnergy credit agreement are major financial institutions with committed balances and investment grade credit ratings as of March 31, 2026 as follows:

In millions

Lender rating, by category	Loan Commitment
AA/Aa	\$ 75
Total	<u>\$ 75</u>

The SiEnergy Holdings credit agreement permits the issuance of letters of credit in an aggregate amount of up to \$20 million. SiEnergy had no letters of credit outstanding at March 31, 2026.

The SiEnergy Holdings credit agreement requires SiEnergy Holdings to comply, and to cause certain of its subsidiaries to comply, with various affirmative and negative covenants, including a financial covenant requiring SiEnergy Holdings to maintain a consolidated indebtedness to total capitalization ratio of 70% or less. Failure to comply with this or other applicable covenants or the occurrence of any other event of default, subject to, in certain instances, specified thresholds, cure periods and exceptions, would entitle the lenders to terminate their lending commitments and accelerate the maturity of all amounts outstanding. SiEnergy was in compliance with this covenant at March 31, 2026, with an indebtedness to total capitalization ratio of 32.3%.

The SiEnergy Holdings credit agreement also requires SiEnergy Holdings to maintain a credit rating with any one of S&P, Moody's or certain other rating organizations with respect to SiEnergy Holdings' senior, unsecured, non-credit enhanced long-term credit ratings (or, if such debt is not rated, corporate credit rating) and to notify the lenders of any change in such ratings by such rating agencies. A change in SiEnergy Holdings' credit ratings is not an event of default, nor is the maintenance of a specific minimum level of credit rating a condition of drawing upon the credit agreement. Rather, interest rates on any loans outstanding and certain fee amounts under the credit agreement are determined based upon SiEnergy Holdings' credit ratings with S&P and Moody's and therefore, a change in the credit rating may increase or decrease the cost of any loans and the amounts of certain fees under the credit agreement when ratings are changed. See "*Credit Ratings*" below.

Letters of Credit Facilities

On January 5, 2024, NW Natural entered into an Uncommitted Letter of Credit and Reimbursement Agreement (2024 LC Reimbursement Agreement), between NW Natural, the lenders party thereto from time to time and Canadian Imperial Bank of Commerce, New York Branch as administrative agent (Administrative Agent), pursuant to which NW Natural agreed to reimburse each lender acting as an issuing bank (Issuing Bank) thereunder for disbursements in respect of letters of credit issued pursuant to the LC Reimbursement Agreement from time to time. On May 1, 2026, NW Natural entered into a Reimbursement Agreement and Continuing Indemnity Relating to Standby Letters of Credit/Letters of Guarantee (2026 LC Reimbursement Agreement, and together with the 2024 LC Reimbursement Agreement, the LC Reimbursement Agreements), between NW Natural and The Toronto-Dominion Bank, New York Branch (TD Bank), pursuant to which NW Natural agreed to reimburse TD Bank for disbursements in respect of letters of credit issued pursuant to the 2026 LC Reimbursement Agreement from time to time.

The Company expects to use letters of credit issued under the facilities created by the LC Reimbursement Agreements (each, an LC Facility) primarily to support its participation in Washington Climate Commitment Act cap-and-invest program auctions.

Under the 2024 LC Reimbursement Agreement, there is no expressly stated maximum amount of letters of credit that can be issued or outstanding under the LC Facility created thereby. The 2026 LC Reimbursement Agreement provides that the aggregate undrawn face amount of letters of credit issued thereunder may not exceed \$100 million. Regulatory approval from the OPUC provides that the aggregate sum of letters of credit available to be drawn under the LC Reimbursement Agreements may not exceed \$250 million at any one time. The Issuing Banks have no commitment to issue letters of credit under either LC Facility and will have the sole discretion to limit and condition the terms for the issuance of letters of credit (including maximum face amounts).

The 2024 LC Reimbursement Agreement requires NW Natural to maintain certain ratings with S&P and Moody's. NW Natural must also notify the Administrative Agent and the lenders under the 2024 LC Reimbursement Agreement of any change in the S&P or Moody's Ratings, although any such change is not an event of default.

The 2024 LC Reimbursement Agreement prohibits NW Natural from permitting Consolidated Indebtedness to be greater than 70% of Total Capitalization, each as defined therein and calculated as of the end of each fiscal quarter of NW Natural. Failure to comply with this financial covenant would constitute an Event of Default under the 2024 LC Reimbursement Agreement. Further, each of the LC Reimbursement Agreements is cross-defaulted to NW Natural's Amended and Restated Credit Agreement. The occurrence of these or any other Event of Default (as defined in the applicable LC reimbursement Agreement) would entitle the Administrative Agent or TD Bank, as applicable, to require cash collateral for the LC Exposure, as defined in the 2024 LC Reimbursement Agreement, or Obligations, as defined in the 2026 LC Reimbursement Agreement, and to exercise all other rights and remedies available under the applicable LC Reimbursement Agreement and under applicable law.

There were no letter of credits issued or outstanding under the 2024 LC Reimbursement Agreement at March 31, 2026.

Credit Ratings

NW Holdings credit ratings are a factor of liquidity, potentially affecting access to the capital markets. NW Natural and SiEnergy's credit ratings also have an impact on the cost of funds.

The following table summarized NW Holdings' current credit ratings:

	S&P
Commercial paper (short-term debt)	A-2
Junior subordinated debentures	BBB
Issuer credit rating	A-
Ratings outlook	Stable

The following table summarizes NW Natural's current credit ratings:

	S&P	Moody's
Commercial paper (short-term debt)	A-1	P-2
Senior secured (long-term debt)	AA-	A2
Senior unsecured (long-term debt)	n/a	Baa1
Issuer credit rating	A+	n/a
Ratings outlook	Stable	Stable

The following table summarizes SiEnergy's current credit ratings:

	S&P
Issuer credit rating (SiEnergy Holding, LLC, formerly Si Investment Co., LLC)	BBB+
Issuer credit rating (SiEnergy Gas, LLC, formerly SiEnergy, L.P.)	BBB+
Senior secured notes (SiEnergy Gas, LLC, formerly SiEnergy, L.P.)	A
Ratings outlook	Stable

The above credit ratings and ratings outlook are dependent upon a number of factors, both qualitative and quantitative, and are subject to change at any time. The disclosure of or reference to these credit ratings is not a recommendation to buy, sell or hold NW Holdings or NW Natural securities. Each rating should be evaluated independently of any other rating.

As part of the ring-fencing conditions agreed upon with the OPUC and WUTC in connection with the holding company reorganization, NW Holdings and NW Natural are required to maintain separate credit ratings, long-term debt ratings, and preferred stock ratings, if any.

Long-Term Debt

At March 31, 2026, March 31, 2025 and December 31, 2025, NW Holdings' long-term debt consisted of the following:

<i>In millions</i>	March 31, 2026		March 31, 2025		December 31, 2025	
	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽¹⁾	Balance Outstanding	Weighted Average Interest Rate ⁽²⁾
NW Natural first mortgage bonds	\$ 1,544.7	4.7 %	\$ 1,374.7	4.6 %	\$ 1,544.7	4.7 %
SiEnergy term loan ⁽³⁾	—	— %	149.6	6.1 %	—	— %
SiEnergy secured senior notes	185.0	5.6 %	—	— %	185.0	5.6 %
NWN Water term loan	55.0	4.7 %	55.0	4.7 %	55.0	4.7 %
Other water debt	3.9		5.0		4.0	
NW Holdings unsecured senior bonds	285.0	5.7 %	285.0	5.7 %	285.0	5.7 %
NW Holdings term loan	50.0	4.7 %	50.0	5.3 %	50.0	5.2 %
NW Holdings junior subordinated debentures	325.0	7.0 %	325.0	7.0 %	325.0	7.0 %
Long-term debt, gross	2,448.6		2,244.3		2,448.7	
Less: unamortized debt issuance costs	15.5		14.4		15.9	
Less: current maturities	160.7		36.8		160.6	
Total long-term debt	<u>\$ 2,272.4</u>		<u>\$ 2,193.1</u>		<u>\$ 2,272.2</u>	

⁽¹⁾ Weighted average interest rate for the three months ended March 31, 2026 and March 31, 2025

⁽²⁾ Weighted average interest rate for the year ended December 31, 2025

⁽³⁾ On January 7, 2025, NW Holdings acquired SiEnergy. SiEnergy's subsidiary, Si Investment Co., had this existing term loan outstanding at the date of acquisition. In August 2025, the associated facilities were terminated and are no longer available for financing.

NW Natural's first mortgage bonds (FMBs) have maturity dates ranging from 2026 through 2055 and interest rates ranging from 2.82% to 7.85%. SiEnergy's secured senior notes have maturity dates ranging from 2030 through 2055 and interest rates ranging from 4.86% to 6.04%. NW Holdings' unsecured senior bonds have maturity dates ranging from 2028 through 2034 and interest rates ranging from 5.52% to 5.86%. NW Holdings' Junior Subordinated Debentures has an interest rate of 7.0% and a maturity date of 2055. At March 31, 2026, NW Holdings and NW Natural had long-term debt outstanding of \$2,433.1 million and \$1,535.1 million, respectively, which included \$15.5 million and \$9.6 million of unamortized debt issuance costs at NW Holdings and NW Natural, respectively. Debt of \$160.7 million is scheduled to mature in the next twelve months, which consists of \$55.0 million at NW Natural, \$55.7 million at NWN Water, and \$50.0 million at NW Holdings. See Part II, Item 7, "Financial Condition—Long-Term Debt" in the 2025 Form 10-K for long-term debt maturing over the next five years.

Summary of Significant Debt Issuances

There were no new debt issuances in the first quarter of 2026 at either NW Natural or NW Holdings.

Summary of Significant Debt Extinguishments and Repayments

There were no significant debt retirements in the first quarter of 2026 at either NW Natural or NW Holdings.

NWN Water Interest Rate Swap Agreement

In January 2023, NWN Water entered into an interest rate swap agreement with a major financial institution for \$55.0 million that effectively converted variable-rate debt to a fixed rate of 3.8%. Interest payments made between the effective date and expiration date are hedged by the swap agreement. The interest rate swap agreement expires in June 2026, along with the variable-rate debt.

Bankruptcy Ring-fencing Restrictions

As part of the ring-fencing conditions agreed upon with the OPUC and WUTC, NW Natural is required to have one director who is independent from NW Natural management and from NW Holdings and to issue one share of NW Natural preferred stock to an independent third party. NW Natural was in compliance with both of these ring-fencing provisions as of March 31, 2026. NW Natural may file a voluntary petition for bankruptcy only if approved unanimously by the Board of Directors of NW Natural, including the independent director, and by the holder of the preferred share.

Contingent Liabilities

Loss contingencies are recorded as liabilities when it is probable a liability has been incurred and the amount of the loss is reasonably estimable in accordance with accounting standards for contingencies. See "*Application of Critical Accounting Policies and Estimates*" in the 2025 Form 10-K. At March 31, 2026, NW Natural's total estimated liability related to environmental sites is \$368.1 million. See "Results of Operations—Regulatory Matters—Rate Mechanisms—*Environmental Cost Deferral and Recovery*" in the 2025 Form 10-K and Note 17.

APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing financial statements in accordance with U.S. GAAP, management exercises judgment to assess the potential outcomes and related accounting impacts in the selection and application of accounting principles, including making estimates and assumptions that affect reported amounts of assets, liabilities, revenues, expenses, and related disclosures in the financial statements. Management considers critical accounting policies to be those which are most important to the representation of financial condition and results of operations and which require management's most difficult and subjective or complex judgments, including accounting estimates that could result in materially different amounts if reported under different conditions or if they used different assumptions. Our most critical estimates and judgments for both NW Holdings and NW Natural include accounting for:

- regulatory accounting;
- revenue recognition;
- derivative instruments and hedging activities;
- pensions and postretirement benefits;
- income taxes;
- environmental contingencies; and
- impairment of long-lived assets and goodwill.

There have been no material changes to the information provided in the 2025 Form 10-K with respect to the application of critical accounting policies and estimates. See Part II, Item 7, "*Application of Critical Accounting Policies and Estimates*," in the 2025 Form 10-K.

Management has discussed its current estimates and judgments used in the application of critical accounting policies with the Audit Committees of the Boards of NW Holdings and NW Natural. Within the context of critical accounting policies and estimates, management is not aware of any reasonably likely events or circumstances that would result in materially different amounts being reported. For a description of recent accounting pronouncements that could have an impact on financial condition, results of operations or cash flows, see Note 2.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

NW Holdings and NW Natural are exposed to various forms of market risk including commodity supply risk, commodity price risk, interest rate risk, foreign currency risk, credit risk and weather risk. Management monitors and manages these financial exposures as an integral part of NW Holdings' and NW Natural's overall risk management program. No material changes have occurred related to disclosures about market risk for the three months ended March 31, 2026. For additional information, see Part II, Item 1A, "*Risk Factors*" in this report and Part II, Item 7A, "*Quantitative and Qualitative Disclosures about Market Risk*" in the 2025 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

NW Holdings and NW Natural management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, completed an evaluation of the effectiveness of the design and operation of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange

Act)). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer of each registrant have concluded that, as of the end of the period covered by this report, disclosure controls and procedures were effective to ensure that information required to be disclosed by each such registrant and included in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management of each registrant, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

NW Holdings and NW Natural management are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f).

There were no changes in NW Holdings' or NW Natural's internal control over financial reporting during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting for NW Holdings and NW Natural.

The statements contained in Exhibit 31.1, Exhibit 31.2, Exhibit 31.3, and Exhibit 31.4 should be considered in light of, and read together with, the information set forth in this Item 4(b).

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Other than the proceedings disclosed in Note 17 to our unaudited condensed consolidated financial statements included in Part I, Item 1 and those proceedings disclosed in Part I, Item 3, "*Legal Proceedings*" in the 2025 Form 10-K, which are incorporated by reference, we have only nonmaterial litigation, or litigation that occurs in the ordinary course of our business.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors" in the 2025 Form 10-K, which could materially affect our business, financial condition, or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about purchases of NW Holdings' equity securities that are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, during the quarter ended March 31, 2026:

Issuer Purchases of Equity Securities				
Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
Balance forward			2,124,528	\$ 150,000,000
01/01/26-01/31/26	—	—	—	—
02/01/26-02/28/26	—	—	—	—
03/01/26-03/31/26	—	—	—	—
Total	—	\$ —	2,124,528	\$ 150,000,000

⁽¹⁾ During the quarter ended March 31, 2026, no shares of common stock were purchased on the open market to meet the requirements of NW Holdings' Dividend Reinvestment and Direct Stock Purchase Plan. During the quarter ended March 31, 2026, no shares of NW Holdings common stock were purchased on the open market to meet the requirements of share-based compensation programs.

⁽²⁾ During the quarter ended March 31, 2026, no shares of NW Holdings common stock were repurchased pursuant to the Board-approved share repurchase program. On May 29, 2024, NW Holdings disclosed that effective May 23, 2024, NW Holdings' Board authorized a new share repurchase program under which NW Holdings may repurchase in open market or privately negotiated transactions up to an aggregate of 5 million shares or an amount not to exceed \$150 million. The new share repurchase program is authorized to continue until the program is used, terminated or replaced. The repurchase program replaces the Company's previously authorized share repurchase program, which commenced in 2000 and authorized the repurchase of up to 2.8 million shares, or an amount not to exceed \$100 million, in the aggregate. For more information on our repurchase program, refer to Note 5 in the 2025 Form 10-K.

ITEM 5. OTHER INFORMATION

LC Reimbursement Facility

The following disclosure is intended to satisfy any obligation to provide disclosures pursuant to Item 1.01 and 2.03 of Form 8-K.

On May 1, 2026, NW Natural entered into a Reimbursement Agreement and Continuing Indemnity Relating to Standby Letters of Credit/Letters of Guarantee (LC Reimbursement Agreement), between NW Natural and The Toronto-Dominion Bank, New York Branch (TD Bank), pursuant to which NW Natural agreed to reimburse TD Bank for disbursements in respect of letters of credit issued pursuant to the LC Reimbursement Agreement from time to time.

NW Natural expects to use the letters of credit issued under the facility created by the LC Reimbursement Agreement (the LC Facility) primarily to support its participation in Washington Climate Commitment Act cap-and-invest program auctions.

The 2026 LC Reimbursement Agreement provides that the aggregate undrawn face amount of letters of credit issued thereunder may not exceed \$100 million.

Drawings under letters of credit issued under the LC Facility are required to be reimbursed by NW Natural on the date that NW Natural is notified thereof or, in certain cases, on the next business day. If NW Natural does not reimburse a drawing when due, its reimbursement obligation accrues interest at Standard Overnight Financing Rate plus 2.00% per annum.

TD Bank has no commitment to issue letters of credit under the LC Facility and has the discretion to limit and condition the terms for the issuance of letters of credit (including maximum face amounts) in its sole discretion. The LC Reimbursement Agreement does not have a specified term. NW Natural or TD Bank may terminate the LC Facility at any time in their sole discretion.

Obligations of NW Natural under the LC Reimbursement Agreement are unsecured and rank pari passu with NW Natural's other senior unsecured indebtedness, although NW Natural (a) granted to the agent or lenders party to the LC Reimbursement Agreement and certain of their affiliates certain setoff rights and (b) agreed to provide cash collateral (with respect to which NW Natural grants a security interest) after the occurrence of an event of default, in each case, as described further in the LC Reimbursement Agreement.

The LC Reimbursement Agreement is cross-defaulted to NW Natural's Amended and Restated Credit Agreement, dated as of November 3, 2025, among NW Natural, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. The occurrence of these or any other Event of Default (as defined in the LC Reimbursement Agreement) would entitle TD Bank to require cash collateral for the Obligations, as defined in the LC Reimbursement Agreement, and to exercise all other rights and remedies available under the applicable LC Reimbursement Agreement and under applicable law.

The foregoing description of the LC Facility does not purport to be complete and is qualified in its entirety by reference to the LC Reimbursement Agreement, a copy of which is attached as Exhibit 10.1 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Rule 10b5-1 Trading Arrangements

From time to time, our officers (as defined in Rule 16a-1(f) of the Exchange Act) and directors may enter into Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as each such term is defined in Item 408 of Regulation S-K).

On March 27, 2026, David H. Anderson, Director of NW Holdings and NW Natural, adopted a Rule 10b5-1 trading arrangement for the sale of shares of NW Holdings' common stock, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. Mr. Anderson's Rule 10b5-1 trading arrangement provides for the potential sale of up to 33,000 shares of NW Holdings' common stock between June 26, 2026 and June 17, 2027, subject to conditions set forth in the arrangement, and so long as the market price of NW Holdings' common stock is higher than certain minimum threshold prices specified in Mr. Anderson's Rule 10b5-1 trading arrangement.

As previously disclosed, Mr. Anderson retired as CEO of NW Holdings and NW Natural, effective April 1, 2025. Mr. Anderson currently holds over seven times the \$450,000 stock ownership requirement for non-management directors. This trading arrangement allows Mr. Anderson to periodically sell a portion of his NW Holdings common stock to diversify his holdings in connection with his retirement as CEO.

Except as described above, during the three months ended March 31, 2026, none of our other officers or directors adopted or terminated any such trading arrangements.

ITEM 6. EXHIBITS

See the Exhibit Index below, which is incorporated by reference herein.

NORTHWEST NATURAL GAS COMPANY NORTHWEST NATURAL HOLDING COMPANY

Exhibit Index to Quarterly Report on Form 10-Q
For the Quarter Ended March 31, 2026

Exhibit Index

Exhibit Number	Document
10.1	<u>Reimbursement Agreement and Continuing Indemnity Related to Standby Letters of Credit/Letters of Guarantee, dated May 1, 2026, between NW Natural and the Toronto-Dominion Bank, New York Branch.</u>
*10.2	<u>2026 Executive Annual Incentive Plan, effective January 1, 2026 (incorporated by reference to Exhibit 10t to Form 10-K for the fiscal year ended December 31, 2025, File No. 1-15973).</u>
*10.3	<u>Form of Performance Share Long Term Incentive Agreement Under Long Term Incentive Plan (2026-2028) (incorporated by reference to Exhibit 10ee to Form 10-K for the fiscal year ended December 31, 2025, File No. 1-38681).</u>
*10.4	<u>Form of Restricted Stock Unit Agreement Under Long Term Incentive Plan (2026) (incorporated by reference to Exhibit 10hh to Form 10-K for the fiscal year ended December 31, 2025, File No. 1-38681).</u>
31.1	<u>Certification of Principal Executive Officer of Northwest Natural Gas Company Pursuant to Rule 13a-14(a)/15-d-14(a), Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification of Principal Financial Officer of Northwest Natural Gas Company Pursuant to Rule 13a-14(a)/15-d-14(a), Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.3	<u>Certification of Principal Executive Officer of Northwest Natural Holding Company Pursuant to Rule 13a-14(a)/15-d-14(a), Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.4	<u>Certification of Principal Financial Officer of Northwest Natural Holding Company Pursuant to Rule 13a-14(a)/15-d-14(a), Section 302 of the Sarbanes-Oxley Act of 2002.</u>
**32.1	<u>Certification of Principal Executive Officer and Principal Financial Officer of Northwest Natural Gas Company Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
**32.2	<u>Certification of Principal Executive Officer and Principal Financial Officer of Northwest Natural Holding Company Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101	The following materials formatted in Inline Extensible Business Reporting Language (Inline XBRL): (i) Consolidated Statements of Income; (ii) Consolidated Balance Sheets; (iii) Consolidated Statements of Cash Flows; and (iv) Related notes. The instance document does not appear in the interactive data file because XBRL tags are embedded within the Inline XBRL document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline XBRL.

* Incorporated by reference as indicated.

** Pursuant to Item 601(b)(32)(ii) of Regulation S-K, this certification is furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company and its subsidiaries.

NORTHWEST NATURAL GAS COMPANY

(Registrant)

Dated: May 6, 2026

/s/ Brody J. Wilson

Brody J. Wilson

Principal Accounting Officer

Vice President, Treasurer, Chief Accounting Officer and Controller

NORTHWEST NATURAL HOLDING COMPANY

(Registrant)

Dated: May 6, 2026

/s/ Brody J. Wilson

Brody J. Wilson

Principal Accounting Officer

Vice President, Treasurer, Chief Accounting Officer and Controller