

## Appendix 1

## Operational and Financial Performance as at 31 March 2019

We are working to achieve our Statement of Corporate Intent (SCI) performance targets for the year. These targets are also contained in our Business Plan. Q3 results are shown in the table below:

Quarter Three - Performance	31 March		SCI / Plan
	2019	2018	Target

Safety Performance Targets			
Number of fatalities or injuries causing permanent disability	0	0	0
Total recordable injury frequency rate (TRIFR) <sup>1</sup>	6.6	4.4	≤ 6

Operational Performance Targets			
Grid interruptions <sup>2</sup> :			
• Achieve targets for occurrence	On Track	On Track	Achieve Target
• Achieve targets for duration	On Track	On Track	Achieve Target
Grid availability:			
• HVDC energy availability	99.2%	98.6%	98.5%
• Key HVAC circuits availability	98.6%	99.0%	98.7%
Achieve system operations target	On Track	On Track	Achieve Target

Financial Performance Targets (Unaudited)			
Free funds from operations interest coverage (# of times)	3.7	3.7	3.5
Free funds from operations / Debt (%)	16.0	17.9	16.1
Debt / (net debt + equity) (%)	66.6	67.3	66.0
Return on equity (%)	12.9	14.5	11.7
Return on capital employed (%)	6.9	7.6	6.6

<sup>1</sup> Rolling 12 Month result.

<sup>2</sup> Note:

- Transpower's performance against network service targets is measured at an aggregate level through a financial incentive framework to meet or outperform these targets.
- Our SCI target across grid interruptions and HVDC availability is to achieve a revenue-neutral outcome.
- Grid Interruptions, as a performance category, includes targets for frequency (occurrence) and duration of interruptions.
- There are different targets, collars and caps for high priority, important, standard, N-security and generator connection locations.
- We have not met all category targets and the Commerce Commission is currently investigating Transpower for performance below cap in several categories for the 2015/16 and 2016/17 financial years.