

Appendix 1

Operational and Financial Performance as at 31 March 2022

Q3 results are shown in the table below:

Performance	31 March		SCI / Plan Target
	2022	2021	
Safety and People			
Number of fatalities or injuries causing permanent disability	0	0	0
Total recordable injury frequency rate (TRIFR)	5.40	5.61	≤ 6
High potential incident frequency rate (HPIFR)	1.47	1.87	≤ 3
Staff Engagement	8.0 ²	8.1	Top 25% ¹

Sustainability			
Deliver Year 1 milestones according to the TCFD framework ³	On Track	On Track	Meet Target
Deliver Year 1 milestones to position Transpower in the upper quartile on ESG reporting framework within two years ⁴	On Track	On Track	Meet Target

Service Performance⁵			
Grid interruptions:			
• GP1 Achieve collars for occurrence (unplanned interruptions)	6	6	≥ 4 out of 6
• GP2 Achieve collars for average unplanned interruption duration	5	5	≥ 4 out of 6
Grid availability:			
• AP1 HVDC availability	96.29% ⁶	98.52%	> 96.75%
• AP2 HVAC availability	97.33% ⁷	98.49%	> 98.6%
Achieve system operations target	No data yet	No data yet	Meet Target

Asset Health Measures			
Power transformers	3.70%	2.45%	≤ 3.68%
Outdoor circuit breakers	1.02%	1.51%	≤ 2.37%

Financial Performance			
Free funds from operations (FFO) interest coverage	6.4	7.1	5.8
Free funds from operations / Debt	14.6%	15.5%	13.8%
Return on equity	8.5%	8.4%	8.1%
Return on capital employed	3.9%	3.9%	3.9%

Note:

- ¹ Top 25% percentile score for energy & utilities sectors (12 month rolling average).
- ² Engagement score remained at 8.0 however the benchmark has moved upward to 8.1 during Q3.
- ³ Task Force on Climate related Financial Disclosures ('TCFD') framework.
- ⁴ Environmental, Social, and Corporate Governance (ESG) reporting framework.
- ⁵ Service Performance - Our SCI target across grid interruptions and grid availability have been set at the quality standards set by the Commerce Commission.
- ⁶ HVDC energy availability has moved below target during the quarter, however it's expected to meet target based on current planned outages.
- ⁷ HVAC assets availability has moved below target and the breach is expected to continue throughout the year due to the works on CUWLP and the ongoing Pakuranga-Whakamaru-2 cable joint failure repair.
- ⁸ Asset health of power transformers has declined due to age for a few transformers and poor oil condition on another transformer. Two of these transformers were planned to be decommissioned however works have been delayed due to impact of COVID-19.