

## Appendix 1

## Operational and Financial Performance as at 30 June 2019

These targets are also contained in our Business Plan. Q4 results are shown in the table below:

Quarter Four - Performance	30 June		SCI / Plan
	2019	2018	Target
<b>Safety Performance Targets</b>			
Number of fatalities or injuries causing permanent disability	0	0	0
Total recordable injury frequency rate (TRIFR)	6.9	5.8	≤ 6
<b>Operational Performance Targets</b>			
Grid interruptions <sup>1</sup> :			
• Achieve targets for occurrence	Achieved	Achieved	Achieve Target
• Achieve targets for duration	Achieved	Missed	Achieve Target
Grid availability:			
• HVDC energy availability	99.1%	98.8%	98.5%
• Key HVAC circuits availability	98.7%	99.0%	98.7%
Achieve system operations target	Achieved	Achieved	Achieve Target
<b>Financial Performance Targets (Unaudited)</b>			
Free funds from operations interest coverage (# of times)	3.6	3.6	3.5
Free funds from operations / Debt (%)	15.8	17.2	16.1
Debt / (net debt + equity) (%)	66	67	66
Return on equity (%)	11.9	12.2	11.7
Return on capital employed (%)	6.5	6.8	6.6

<sup>1</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, 2016/17 and 2017/18 financial years. We have also advised the Commission that we have sustained below cap performances for the 2018/19 financial year and expect below cap performances for the 2019/20 financial year.