

## Confirmation of the Attainment of the Pier 2 Segregation Project Trigger

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This document confirms the attainment of the Pier 2 Segregation Project Trigger as defined in the 2014 Determination.<sup>1</sup> Therefore, as stated in CN3/2016, we will revise the 2017 provisional price cap from €9.86 to €9.92.<sup>2</sup> We also confirm the 2018 provisional price cap of €9.59, which includes the trigger, as stated in CN3/2017.<sup>3</sup>

The 2014 Determination on airport charges at Dublin Airport made provision for a number of triggered capital allowances. These are allowances which are to be included in the price cap should certain specified conditions arise. One of these triggers states that €0.06 will be added to the price cap in the year when Pier 2 arriving and departing passengers are fully segregated, provided that this has been mandated by a regulatory authority. The allowance for this project, as assessed in the 2014 Determination, was set at €18m.

On 21 July 2016, the Commission received a copy of a letter from the Revenue Commissioners to Dublin Airport, in which it mandated the segregation of Pier 2 in order to continue operation of the pier. The Revenue Commissioners stated in its letter that it is satisfied that the project, as designed by Dublin Airport at that time, would deliver the full segregation of arriving and departing passengers.

The project achieved the segregation of arriving and departing passengers in Pier 2 through the installation of VCCs (vertical circulation cores) and a high-level corridor to channel arriving passengers, directing their entry to the immigration facility. Once construction was complete, the anti-passback doors that were located at the head of Pier 2 were removed. On 16 November 2017, the Commission inspected Pier 2 and confirmed that the project was delivered.

Given that the segregation of Pier 2 was mandated by the Revenue Commissioners, and that the project was completed in 2017, the trigger of €0.06 will be added to the price cap starting from 2017.

As with other trigger projects, a 50/50 risk sharing mechanism will be applied when reconciling the outturn expenditure of the project with the allowance as part of the next determination. Thus, 50% of any overspend will enter the 2020 Regulatory Asset Base (RAB) and consequently be remunerated by users, while in the case of an underspend, the amount entering the RAB will be reduced by 50% of the underspend.

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<sup>1</sup> <https://www.aviationreg.ie/fileupload/2014final/2014%20Final%20Determination.pdf>

<sup>2</sup> <https://www.aviationreg.ie/fileupload/price%20cap%20statement%202017/2017%20Price%20Cap%20statement.pdf>

<sup>3</sup> <https://www.aviationreg.ie/fileupload/price%20cap%20statement%202018/2018%20Provisional%20Price%20Cap.pdf>