

## Statement of Dublin Airport Price Cap, 2018 and 2020

We confirm that Dublin Airport complied with the maximum level of airport charges for 2018 of €9.57 per passenger, as required by the 2014 Determination on the Maximum Level of Airport Charges at Dublin Airport (CP2/2014).<sup>1</sup> In addition, we confirm that the provisional maximum level of airport charges for 2020 is €7.58 per passenger, as per the 2019 Determination on the Maximum Level of Airport Charges at Dublin Airport 2020-2024 (CP8/2019).<sup>2</sup>

### 2018 Price Cap Compliance

In line with the Statement of Dublin Airport Price Cap, 2017 and 2019 (CN4/2020), 2018 price cap compliance under the 2014 Determination is established using revenue levied in the period. After adjusting for inflation and quality of service, the 2018 price cap was €9.57 per passenger. There were 4 quality of service breaches, the security queue in Terminal 1 exceeded 30 minutes on four separate days in 2018; 12 May, 27 May, 9 June and 29 September. These breaches result in a 0.20% reduction to the price cap. Dublin Airport complied with the €9.57 price cap in 2018, levying €9.55 per passenger (this is detailed in the table below).

#### Complying with the 2018 Price Cap of €9.57

Airport Charges Levied	€300,816,000 <sup>3</sup>
Passengers	31,495,604
Levied Charges per passenger	€9.55

Source: Dublin Airport 2018 Regulatory Accounts

### 2018 Under Collection that Carries Forward to the 2020 Price Cap ( $K_{2018}$ )

The under collection for 2018 was calculated on an accruals basis in the 2019 Determination as detailed in the table below, and €0.04 was included in the calculation of the 2020 base price. The formula below the table shows the calculation of  $K_{2018}$ .

#### 2018 under collection compared to 2018 Price Cap of €9.57

Basis	Airport Charges Accrued
Airport Charges Revenue for 2018	€299,626,000
Passengers	31,495,604
Accrued Charges per passenger	€9.51

Source: Dublin Airport 2018 Regulatory Accounts

$$k_{2020} = \text{Minimum} \left( (P_{2018} - P_{2018\text{outturn}}), (0.05 * P_{2018}) \right) * (1 + I_{2018}) * (1 + I_{2019}) * (PAX_{2018}/PAX_{2020f})$$

$$k_{2020} = \text{Minimum} \left( (€9.57 - €9.51), (0.05 * €9.57) \right) * (1 - 0.322\%) * (1 - 0.341\%) * \left( \frac{24.1\text{mppa}}{34\text{mppa}} \right) = €0.04$$

<sup>1</sup> [www.aviationreg.ie/fileupload/2014final/2014%20Final%20Determination.pdf](http://www.aviationreg.ie/fileupload/2014final/2014%20Final%20Determination.pdf)

<sup>2</sup> [www.aviationreg.ie/fileupload/2019%20Determination/Final%20Determination/2020-2024%20Determination.pdf](http://www.aviationreg.ie/fileupload/2019%20Determination/Final%20Determination/2020-2024%20Determination.pdf)

<sup>3</sup> This approach is in line with CN4/2020

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### 2020 Provisional Price Cap

The maximum level of airport charges that Dublin Airport can collect from airport charges accrued in 2020 is provisionally €7.58 per passenger.

The price cap formula for 2020 is detailed in the 2019 Determination. The base price is €7.50, which already includes €0.04 carried forward from 2018.<sup>4</sup> The base price is adjusted for inflation, triggers relating to capital projects and quality of service. Between February 2019 and October 2019 there was inflation of 1.09% which increases the price cap by €0.08.

The 2020 price cap can change if triggers for capital projects related to the Terminal 2 Box 2 and the North Runway are reached, or if quality of service targets are not met.

Up to €0.36 of the price cap is at risk should Dublin Airport fail to reach the quality of service targets set in the 2019 Determination.

#### Arriving at the Provisional 2020 Price Cap

Base Price	€7.50
CPI Adjustment	+€0.08
<b>2020 Price Cap</b>	<b>=€7.58</b>

Source: CAR Calculations

### COVID 19

We are currently consulting on the price regulation response to COVID19 of airport charges at Dublin Airport (CP3/2020).<sup>5</sup> Any review which follows that consultation could change the price cap formula for 2020, including the triggers and quality of service penalties referred to above.

Due to the unprecedented disruption caused by the COVID19 pandemic, on 30 April 2020 we confirmed that there will be no financial penalties associated with any quality of service breaches at Dublin Airport for the foreseeable future.<sup>6</sup> We will keep this temporary arrangement under review and communicate any future changes.

<sup>4</sup> For details on the 2018 carry forward, see the “adjustments” tab in the financial model of the 2019 Determination.

<sup>5</sup> [www.aviationreg.ie/\\_fileupload/COVIDConsultation%20\(1\).pdf](http://www.aviationreg.ie/_fileupload/COVIDConsultation%20(1).pdf)

<sup>6</sup> [www.aviationreg.ie/\\_fileupload/2020/2020-04-29%20COVID19%20QoS%20DUB.pdf](http://www.aviationreg.ie/_fileupload/2020/2020-04-29%20COVID19%20QoS%20DUB.pdf)