

Statement of Dublin Airport Price Cap, 2021 and 2023

2021 Price Cap Compliance and Carrying forward of adjustments

In the 2020 Interim Review of the 2019 Determination in relation to 2020 and 2021 ([CP12/2020](#)) we amended the 2021 per passenger price cap decision such that the price cap would be exactly €7.50.

We also suspended most adjustments in relation to 2021. This meant that no clawback of remuneration of unspent Capital Expenditure (Capex) allowances would occur, nor would adjustments be made in relation to the Operating Expenditure (Opex) passthrough or Commercial Revenues rolling schemes mechanism.

The Dublin Airport [2021 Regulated accounts](#) shows that the Airport complied with the price cap for 2021, taking in €7.44 per passenger (an undercollection of €0.06).

2023 Provisional Price Cap

The maximum level of airport charges that Dublin Airport can collect from airport charges accrued in 2023 is provisionally set at €8.68 per passenger.

The price cap formula for 2023 is detailed in the Decision on an Interim Review of the 2019 Determination in relation to 2023-2026 ([CP7/2022](#)). The base price cap is €7.59 in real terms and incorporates the €0.06 undercollection from 2021 (see section 3 of CP7/2022). We have adjusted our treatment of inflation compared to previous years. We now inflate the price cap for a given year based on inflation forecasts for that year (see section 14 of CP7/2022). The base price cap has been adjusted for outturn inflation between February 2022 and October 2022, and then for 2023 forecast inflation. This is a total adjustment of 14.4% which increases the price cap by €1.09. As part of the Interim Review in relation to 2023-2026 we included a true up mechanism (the 'Z' factor) to account for the difference between forecast and outturn inflation in year n which adjusts the price cap formula in year n+2 to correct for the difference between the nominal price cap charged and the nominal price cap that would have been charged had outturn CPI been used. Any difference in 2023 inflation compared to what was forecast will be adjusted for in the 2025 price cap.

The 2023 price cap can increase if certain quality of service (QoS) targets are exceeded and can decrease if QoS targets are not reached. The maximum size of the potential increase for 2023 is €0.15 (in February 2022 prices) from QoS bonuses, while up to €0.36 (February 2022 prices) of the price cap is at risk should Dublin Airport fail to reach the QoS targets set in the Interim Review.

Arriving at the Provisional 2023 Price Cap

Base Price	€7.59
CPI Adjustment	+€1.09
2023 Price Cap	=€8.68

Source: CAR Calculations