

Statement of Dublin Airport Price Cap, 2016 and 2018

The Commission for Aviation Regulation confirms that Dublin Airport complied with the 2016 maximum level of airport charges of €10.30 per passenger, as required by the 2014 Determination¹. In addition, the Commission confirms that the provisional maximum level of airport charges for 2018 at Dublin Airport is €9.59 per passenger.

2016 Price Cap Compliance

The 2016 price cap was €10.30 per passenger, after adjustment for inflation and quality of service. There were two quality of service breaches; on 1 and 2 October 2016, the security queue in Terminal 1 exceeded 30 minutes. As per the 2014 Determination, a reduction of 0.1% has been applied to the price cap. Revenues collected by Dublin Airport are detailed below. The amount collected by Dublin Airport per passenger was €9.78. The resulting under collection relative to the 2016 price cap carries forward to the 2018 provisional price cap (adjusted for forecast passenger numbers and interest).

Complying with 2016 Price of €10.30

Airport Charges Collected	€272,965,581
Passengers	27,907,384
Charges per PAX	€9.78

Source: daa 2016 Regulatory Accounts

Setting the Provisional 2018 Price Cap

The maximum level of airport charges that Dublin Airport can collect in 2018 is provisionally €9.59 per passenger.

The price cap formula for 2018 is detailed in the 2014 Determination. The base price of €9.06 is adjusted for inflation, triggered capital projects and under collections in 2015. Between July 2014 and October 2017 there was deflation of 0.2% which reduces the price by €0.02.

The Pier 2 Segregation trigger was met in 2017 which adds €0.06 to the price.² The 2016 under collection of €0.52 is adjusted for interest and forecast passenger numbers, and €0.48 is carried forward to 2018. The price cap can change if additional triggers for capital projects related to the North Runway, runway line-up points, or HBS Standard 3 in Terminal 2 are reached, or if quality of service targets are not met. Four and a half percent of this price cap is at risk should Dublin Airport fail to reach the quality of service targets set in the 2014 Determination.

Arriving at 2018 Price Cap

Base Price	€9.06
Trigger - Pier 2 Segregation	+ €0.06
CPI Adjustment	- €0.02
k 2016	+ €0.48
Provisional 2018 Price Cap	= €9.59³

Source: CAR Calculations

In the 2014 Determination, the Commission set a trigger for remuneration of the North Runway project at 25 million passengers within a rolling 12-month period. This level of passengers was reached in late 2015. On 28 April 2017, the Commission amended the north runway trigger to align the remuneration with the timeline for delivery of the project. Dublin Airport will be allowed the remuneration of the

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

² The completion of the Pier 2 Segregation Project is soon to be officially assessed by the Commission. Dublin Airport has indicated that it is complete, therefore it has been provisionally included in this price statement.

³ Note that the apparent discrepancy of €0.01 in this calculation is due to rounding.

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project in three stages, each entering the price cap when a certain milestone event is achieved. For the details of this decision see the Commission Paper CP4/2017.⁴

⁴ <https://www.aviationreg.ie/fileupload/Decision%20MASTERCOPY%202017-04-28.pdf>