

## Statement of Dublin Airport Price Cap, 2015 and 2017

The Commission for Aviation Regulation confirms that Dublin Airport complied with the 2015 maximum level of airport charges of €10.26 per passenger, as required by the 2014 Determination<sup>1</sup>. In addition, the Commission confirms that the provisional maximum level of airport charges for 2017 at Dublin Airport is €9.86 per passenger.

### 2015 Price Cap Compliance

The 2015 price cap was €10.26 per passenger, after adjustment for inflation and quality of service. There was one quality of service breach; on 13 September 2015, the security queue in Terminal 1 exceeded 30 minutes. As per the 2014 Determination, a reduction of 0.05% has been applied to the price cap. Revenues collected by Dublin Airport are detailed below. The amount collected by Dublin Airport per passenger was €9.75. The resulting under collection of €0.51 carries forward to the 2017 price cap (adjusted for forecast passenger numbers and interest).

#### Complying with 2015 Price of €10.26

Airport Charges Collected	€244,336,160
Passengers	25,049,319
Charges per PAX	€9.75

Source: daa 2015 Regulatory Accounts

### Setting the 2017 Price Cap

The maximum level of airport charges that Dublin Airport can collect in 2017 is provisionally €9.86 per passenger. This can change if triggers for capital projects are reached or if quality of service targets are not met.

The price cap formula for 2017 is detailed in the 2014 Determination. The base price of €9.45 is adjusted for inflation, triggered capital projects and under collections in 2015. Between July 2014 and October 2016 there was deflation of 0.8% which reduces the price by €0.07. The 2015 under collection is adjusted for interest and forecast passenger numbers, and €0.48 is carried forward to 2017.

#### Arriving at 2017 Price Cap

Base Price	€9.45
CPI Adjustment	-€0.07
k 2015	+€0.48
<b>Provisional 2017 Price Cap</b>	<b>€9.86</b>

Source: CAR Calculations

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.

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; the Commission advised that the timing of the trigger would be subject to an interim review, and in advance of a decision, daa should not include the runway trigger when setting prices for 2017.

The other triggers, namely Line-up Points, T2 HBS 3 and Pier 2 Segregation, would increase the 2017 price cap by €0.10, €0.07, and €0.06 respectively, if met during 2017.

Dublin Airport anticipates completing the Pier 2 Segregation project in 2017. If it does, the price cap will be revised up to €9.92.

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