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CIVIL AVIATION AUTHORITY OF SINGAPORE ACT 2009 (ACT 17 OF 2009)

CIVIL AVIATION AUTHORITY OF SINGAPORE (PRICE CONTROL OF AERONAUTICAL CHARGES) (AMENDMENT) RULES 2010

In exercise of the powers conferred by section 52(2) of the Civil Aviation Authority of Singapore Act 2009, the Minister for Transport hereby makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Civil Aviation Authority of Singapore (Price Control of Aeronautical Charges) (Amendment) Rules 2010 and shall come into operation on 1st June 2010.

Amendment of rule 7

2. Rule 7(2) of the Civil Aviation Authority of Singapore (Price Control of Aeronautical Charges) Rules 2009 (G.N. No. S 298/2009) (referred to in these Rules as the principal Rules) is amended by deleting sub-paragraph (a) and substituting the following sub-paragraph:

"(*a*) a price or an amount referred to in paragraph (1)(*a*) or (*b*) that is calculated according to the formula in rule 7A;".

New rule 7A

3. The principal Rules are amended by inserting, immediately after rule 7, the following rule:

"Formula for price or amount

7A.—(1) For the purposes of rule 7(2)(a), the formula for calculating a price or an amount is

 $RYCap_{t} = \frac{Opex_{aero\ t} + Depreciation_{aero\ t} + CoC_{aero\ t} - H\%*Profit_{non-aero\ t} - Adjustment_{t}}{Vol_{pax\ t}}$

where	t	is the year in the regulatory period for which the RYCap is to be determined;
	RYCap _t	is the revenue yield cap or aeronautical revenue earned per passenger in the relevant year t;
	Opex _{aero t}	is the operating expenses incurred from the provision of aeronautical services and facilities, including security- related operating expenses not recovered from projected security- related revenue, projected for the relevant year t;
	Depreciation _{aero t}	is the projected depreciation of assets utilised from the provision of aeronautical services and facilities, including the projected depreciation of security-related assets not recovered from projected security-related revenue, in the relevant year t;
	CoC _{aero t}	is the sum of computed pre-tax weighted average cost of capital (WACC) on the average regulated asset base and the computed pre-tax WACC on the average security asset base not recovered from projected security-related revenue, in the relevant year t;
	Η%	is the level of contribution applied on the projected non-aeronautical economic profits in the relevant year t;
	Profit _{non-aero t}	is the projected non-aeronautical economic profits in the relevant year t;
	Adjustment _t	is the allowable adjustments made, on a net present value-neutral basis, to the projected aeronautical revenue in the relevant year t which may include, but are not limited to positive or posetive

are not limited to, positive or negative adjustments to account for revenue profiling requirements, under-recovery and over-recovery from previous regulatory periods and deviations from capital expenditure forecasts;

Vol_{pax t}

is the projected total passenger movement for the relevant year t.

- (2) In this rule
 - "average regulated asset base", in relation to any year, means the average of the starting and ending value of the regulated asset base for the year;
 - "average security asset base", in relation to any year, means the average of the starting value and the ending value of the security asset base for the year;
 - "non-aeronautical economic profit" means the operating profit derived from the provision of non-aeronautical services and facilities, net of depreciation and the pre-tax weighted average cost of capital on the average non-regulated asset base;
 - "regulated asset base", in relation to an airport licensee for an airport, means such assets, including working capital and work-in-progress assets, that are utilised by the airport licensee in the provision of aeronautical services and facilities at the airport;
 - "security asset base", in relation to an airport licensee for an airport, means such assets, including working capital and work-in-progress assets, that are utilised by the airport licensee in the provision of security services and facilities at the airport.

(3) In computing the average regulated asset base in relation to any year within a regulatory period —

- (a) the starting value of the regulated asset base for the next regulatory period shall be equal to its value at the end of the last regulatory period; and
- (b) the projected ending value of the regulated asset base of each year in the regulatory period shall be its starting value plus —
 - (i) projected aeronautical capital expenditure during the year;
 - (ii) projected change in work-in-progress assets; and