

2 April 2014

Heathrow Airport Limited  
The Compass Centre, Nelson Road,  
Hounslow, Middlesex TW6 2GW  
T: 0844 335 1801  
W: heathrow.com

Dear Colleague

### **Notice of proposed change - 2014 airport charges**

Firstly, I would like to thank all those who attended the airport charges consultation meeting on 26 February 2014 and for all the responses to our proposal.

We received a number of formal responses from the airline community which contained a variety of views. We have reviewed and considered these along with the comments made at the consultation meeting.

As a result Heathrow has decided to retain its proposal to recover the permitted maximum allowable yield. However, in response to airline concerns, we have decided to change how we recover the maximum allowable yield through the individual tariffs within the existing structure of charges.

The original proposal was based on recovering the maximum allowable yield over six months from July 2014 to December 2014, within the existing structure of charges, i.e. Landing 21%, Departing Passenger Charges 75% and Parking 4%. This approach was discussed at the consultation meeting and the seasonality impact it created on the charges. The seasonality impact was a contributing factor for the Landing Charges percentage increasing more than the percentage increase in the Departing Passenger charges, because the period in July to December has relatively higher passenger numbers. Therefore, in order to maintain the structure of charges the total income from the Departing Passenger charges increases relatively less than the overall increase.

In response to airline community requests, we are now proposing that we set charges for the six months from July 2014 to December 2014 based on the traffic profile over the twelve month period from January 2014 to December 2014, whilst still maintaining the structure of charges (Landing 21%, Departing Passenger Charges 75% and Parking 4%).

The impact of this proposal removes the seasonality impact and more closely aligns the individual tariffs to the average increase, that is, it increases the Departing Passenger Charges and reduces the Landing Charges.

Having revised our proposal, this letter gives effect to a notice period of two weeks for any formal responses to this change in our proposal, before we announce our final decision on **25 April 2014**. We welcome any formal feedback to this change by **16 April 2014**, which Heathrow will consider before announcing the final decision.

I would like to thank you for your feedback. It plays an important role in informing our decisions.

**Appendix 1** sets out the amended proposed tariffs.

If you would like further information or clarification, please contact me directly or Chris Butler:  
[Chris\\_Butler@heathrow.com](mailto:Chris_Butler@heathrow.com)

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Fidel Lopez', with a large, sweeping flourish extending to the right.

Fidel Lopez

**Appendix 1**

**HEATHROW AIRPORT  
AIRPORT CHARGES 2014 (effective 1st July 2014)**

	<b>Final 2013/14 £ GBP</b>	<b>Original Proposal 2014 £ GBP</b>	<b>Amended Proposal 2014 £ GBP</b>
<b>Charges on Landing</b>			
Peak			
Chapter 2	7,817.88	9,108.60	<b>8,802.15</b>
Chapter 3 high	7,817.88	9,108.60	<b>8,802.15</b>
Chapter 3 base	2,605.96	3,036.20	<b>2,934.05</b>
Chapter 4 high	1,563.58	1,821.72	<b>1,760.43</b>
Chapter 4 base	1,302.98	1,518.10	<b>1,467.03</b>
Chapter 4 minus	781.79	910.86	<b>880.22</b>
Super Night Peak			
Chapter 2	19,544.70	22,771.50	<b>22,005.38</b>
Chapter 3 high	19,544.70	22,771.50	<b>22,005.38</b>
Chapter 3 base	6,514.90	7,590.50	<b>7,335.13</b>
Chapter 4 high	3,908.95	4,554.30	<b>4,401.08</b>
Chapter 4 base	3,257.45	3,795.25	<b>3,667.58</b>
Chapter 4 minus	1,954.48	2,277.15	<b>2,200.55</b>
Emissions charge (per kg)	7.76	9.13	<b>8.82</b>
ANS charge			
per ATM	78.58	82.43	<b>82.43</b>
Per Metric tonne	1.06	1.11	<b>1.11</b>
<b>Charge on departing passengers</b>			
Europe - Destination	28.30	31.15	<b>31.63</b>
Other - Destination	39.75	43.75	<b>44.41</b>
Europe - Transfer	21.23	23.36	<b>23.72</b>
Other - Transfer	29.82	32.81	<b>33.31</b>
Europe - Transit	21.23	23.36	<b>23.72</b>
Other - Transit	29.82	32.81	<b>33.31</b>
Remote Stand Rebate (all passengers)	-5.15	-5.15	<b>-5.15</b>
Minimum charge	1,263.00	1,406.00	<b>1,406.00</b>
<b>Charges on aircraft parking</b>			
Narrow bodied	22.68	24.71	<b>21.86</b>
Wide bodied	54.45	59.30	<b>52.49</b>