ADDITIONAL INFORMATION TO REPORTING TABLES 1 – TOTAL COSTS AND UNIT COSTS

1. Determined costs and unit costs

a) Description of the methodology used for allocating costs of facilities or services between different air navigation services, based on the list of facilities and services listed in ICAO Regional Air Navigation Plan, European Region (Doc 7754) as last amended, and a description of the methodology used for allocating those costs between different charging zones;

There is only one en-route charging zone established in the Slovak Republic. It covers en-route air navigation services provided within FIR Bratislava. The corresponding cost-base for en-route charges consists of following elements:

ANSP – costs incurred by Letové prevádzkové služby Slovenskej republiky (LPS SR);
MET – costs incurred by Slovenský hydrometeorologický ústav (SHMÚ);
NSA – costs incurred by Dopravný úrad Slovenská republika (DÚ SR).

For the purpose of establishing the cost-base eligible facilities and services as listed in the relevant ICAO Regional Air Navigation Plan (European Region, Doc 7754) have been considered to the extent they are used to provide different air navigation services.

ANSP

Costs are allocated between terminal and en-route services directly in LPS SR's accounting system according to rules set by company's internal directive. Annually these rules are considered against those set by the Principles and the cost allocation as a whole is subject to separate audit performed by independent Auditor.

Cost allocation is performed in several steps. In a first step the person forming particular cost decides to which extent (expressed in percentage) it supports en-route or terminal air navigation services. Costs not related to ANS are not further considered for the cost-base calculation purposes. For facilities and services which serve both en-route and terminal activities and which can not be allocated exactly the basic allocation key is a share of terminal/en-route IFR movements on total IFR movements controlled. This allocation key is kept under annual review. In next steps further allocation of APP/TWR costs is performed to satisfy the 20km rule anticipated by the Conditions of Application. Different allocation ratios are applied here including terminal units/tons controlled (allocation to different aerodromes), ATCO hours controlled (allocation between APP and TWR) and distance controlled (allocation of APP costs to en-route or terminal charging zone). These allocation keys are under annual review, as well.

MET

Not applicable – SHMÚ provides only MET services.

NSA

Not applicable – DÚ SR does not provide ANS services.

b) Description of the methodology and assumptions used to establish the costs of air navigation services provided to VFR flights, when exemptions are granted for VFR flights in accordance with Article 31(3), 31(4) and 31(5);

VFR costs are calculated as a product of VFR service units and a theoretical VFR unit rate. VFR service units are calculated for each VFR flight similarly to IFR flights based on data available from ANSP's

FDPS. The VFR unit rate is a theoretical value calculated for this purpose as a proportion in national unit rate of the costs related to services provided to VFR flights (all but ATM services are considered here as a proxy).

c) Criteria used to allocate costs between terminal and en route services, in accordance with Article 22(5);

ANSP

Costs are allocated between terminal and en-route services directly in ANSP‘s accounting system according to rules set by company‘s internal directive. Annually these rules are considered against those set by the Principles and the cost allocation as a whole is subject to separate audit performed by independent Auditor.

Cost allocation is performed in several steps. In a first step the person forming particular cost decides to which extent (expressed in percentage) it supports en-route or terminal air navigation services. Costs not related to ANS are not further considered for the cost-base calculation purposes. For facilities and services which serve both en-route and terminal activities and which can not be allocated exactly the basic allocation key is a share of terminal/en-route IFR movements on total IFR movements controlled. This allocation key is kept under annual review. In next steps further allocation of APP/TWR costs is performed to satisfy the 20km rule anticipated by the Conditions of Application. Different allocation ratios are applied here including terminal units/tons controlled (allocation to different aerodromes), ATCO hours controlled (allocation between APP and TWR) and distance controlled (allocation of APP costs to en-route or terminal charging zone). These allocation keys are under annual review, as well.

MET

The cost allocation between terminal and en-route services is based on the method published in the ICAO Doc 9161. Following the method described in the aforementioned document all MET facilities and products are appreciated according their utilization for the en-route, terminal or other operation. Consequently, by this way gained percentage proportion is applied also to the cost allocations between en-route, terminal and other services.

NSA

N/A

d) Breakdown of the meteorological costs between direct costs and the costs of supporting meteorological facilities and services that also serve meteorological requirements in general (‘MET core costs’). MET core costs include general analysis and forecasting, surface and upper-air observation networks, meteorological communication systems, data processing centres and supporting core research, training and administration;

SHMU follows ICAO Doc 9161 to determine direct costs (facilities and services intended exclusively to serve aeronautical requirements), MET core costs (core facilities and services that may serve both aeronautical and non-aeronautical requirements) and other costs (facilities and services intended exclusively to serve non-aeronautical requirements).

e) Description of the methodology used for allocating total meteorological costs and MET core costs referred to in point (d) to civil aviation and between charging zones;

LMS (is the unit under SHMU that provides service for aviation) costs are divided into two groups, depending on their nature, for personnel and operating costs. In view of the legal form of the SHMU and in accordance with the requirements of the Regulation for the allocation of costs by nature and requirement, that the same load is not counted multiple times, the LMS does not form and thus does not report the cost of depreciation, capital costs or exceptional items. LMS distinguishes its costs according to other basic criteria:

- the cost of facilities, resources and services that are established and provided exclusively for aviation customers,
- the cost of equipment, resources and services used for the needs aviation and other (non-aviation) customers
- the cost of equipment, resources and services that are used exclusively for the needs of not aviation customers.

LMS provides its services to

- aviation customers,
    - service users in the en route zone
    - service users in the terminal zone
    - airport operators
    - aircraft operators
    - other aviation users
- SHMU organizational units,
- other contractual non-aviation customers.

An aliquot of the LMS costs for the equipment and services that are provided for SHMÚ organizational units is paid directly from SHMÚ budget. An aliquot portion of the LMS costs for the facilities and services that LMS provides to other customers is directly paid by the customers.
In determining the share of costs for individual customers (both aviation and non-aviation), the requirements in the ICAO Doc 9161 document are taken into account, and then the most appropriate criteria are considered so that the redistribution of costs is as fair as possible, and at first the exact values are found and only when it is not possible, the qualified estimation is used. An account is taken of

- wage costs
    - the number and quantity of services/products that the customer collects;
    - the number and quantity of services/products that are produced at the workplace (LMS);
    - time to service/product;
    - number of customers; etc.
- operating costs eg. also whether a particular operating cost can be tied to a particular customer (then a distribution, e.g., by the number of subscribers, or, if appropriate, depending on whom the device serves most, etc.).

Since the LMS collects services from the SHMU's organizational units, which SHMU also provides to other non-aviation customers, it is important to set a reasonable share of the costs that will be covered by the fees for the provision of the meteorological service. Costs must be included in the costs incurred by the organizational units of SHMU in connection with the provision of services for the LMS. The determination of a share is a fair, transparent and non-discriminatory ratio, i. proportionality between the service provided to the LMS and other customers, whether external or within the SHMU. When determining the proportion, the most appropriate criteria are considered so that the redistribution of costs is as fair as possible, and firstly, the exact estimates are used and only when this is not possible, a qualified estimate is used.

Product(s)	ICAO	**Recovered by**
		En-route charges (E)
TREND	A/E	85%
TAF	mE	80%
FIR forecast	E	100%

Product(s)	ICAO	**Recovered by** En-route charges (E)
GAMET	E	100%
REG QNH (for altimeter setting)	E	50%
Other forecasts for FIR	E	100%
SIGMET	E	100%
AIRMET	E	100%
Area warnings	E	100%
METAR/SPECI	mE	80%
SYNOP	mE	50%

f) For each entity, description of the composition of each item of the determined costs by nature and by service (points 1 and 2 of Table 1), including a description of the main factors explaining the planned variations over the reference period;

Determined costs by nature and by service

Entity: LPS SR	
1. Detail by nature (in nominal terms)	
1.1 Staff costs	ANSP has adopted general decision not to significantly increase number of non-ATCO employees. Annual increases are the result of expected evolution of inflation, employee seniority, natural dicrease of employees and recruiting of new ATCOs in line with capacity and operational needs.
of which, pension costs	Increases are calculated in line with expected evolution of basic wages.
1.2 Other operating costs	Costs are higher in 2020 due to reconstruction of suppoting facilities administrated by ANSP.

1.3 Depreciation	Costs reflect on investment plan for RP3. Costs of investment projects postponed from RP2 are excluded appropriately to avoid double financing.
1.4 Cost of capital	During RP3 ANSP does not expect to take any interest bearing debt.
1.5 Exceptional items	n/a
2. Detail by service (in nominal terms)	
2.1 Air Traffic Management	As the finalization of the RP3 plan is currently underway and several actions still need to be taken, allocation of year to year costs are spread equally reflecting increase of the total foreseen costs. Specific allocation to separate subcategories will be submitted before the final deadline, once all the inputs are clear and known.
2.2 Communication	dtto
2.3 Navigation	dtto
2.4 Surveillance	dtto
2.5 Search and rescue	dtto
2.6 Aeronautical Information	dtto
2.7 Meteorological services	n/a
2.8 Supervision costs	n/a
2.9 Other State costs	n/a
Adjustments beyond the provisions of the International Financial Reporting Standards adopted by the Union pursuant to Regulation (EC) No 1126/2008	
None	

Entity: SHMÚ	
1. Detail by nature (in nominal terms)	
1.1 Staff costs	< >
of which, pension costs	< >
1.2 Other operating costs	< >
1.3 Depreciation	< >
1.4 Cost of capital	< >
1.5 Exceptional items	< >
2. Detail by service (in nominal terms)	
2.1 Air Traffic Management	n/a
2.2 Communication	n/a
2.3 Navigation	n/a
2.4 Surveillance	n/a
2.5 Search and rescue	n/a
2.6 Aeronautical Information	n/a
2.7 Meteorological services	< >
2.8 Supervision costs	n/a
2.9 Other State costs	n/a
Adjustments beyond the provisions of the International Financial Reporting Standards adopted by the Union pursuant to Regulation (EC) No 1126/2008	
< >	

Entity: DÚ	
1. Detail by nature (in nominal terms)	
1.1 Staff costs	< >
of which, pension costs	< >
1.2 Other operating costs	< >
1.3 Depreciation	< >
1.4 Cost of capital	< >
1.5 Exceptional items	< >
2. Detail by service (in nominal terms)	
2.1 Air Traffic Management	n/a
2.2 Communication	n/a
2.3 Navigation	n/a

2.4 Surveillance	n/a
2.5 Search and rescue	n/a
2.6 Aeronautical Information	n/a
2.7 Meteorological services	n/a
2.8 Supervision costs	< >
2.9 Other State costs	< >
Adjustments beyond the provisions of the International Financial Reporting Standards adopted by the Union pursuant to Regulation (EC) No 1126/2008	
< >	

Pension costs

Note: The determined pension costs of the main ANSPs are detailed and justified in the body of the performance plan (item 3.4.3)

Entity: LPS SR
Assumptions underlying the determined pension costs and expected evolution over Reference Period 3
<…>

Entity: SHMÚ
Assumptions underlying the determined pension costs and expected evolution over Reference Period 3
<…>

Entity: DÚ
Assumptions underlying the determined pension costs and expected evolution over Reference Period 3
<…>

g) For each entity, a description and justification of the method adopted for the calculation of depreciation costs (point 1.3 of Table 1): historical costs or current costs referred to in the fourth subparagraph of Article 22(4), and, where current cost accounting is used, provision of comparable historical cost data;

<u>ANSP</u>

LPS SR uses the method of linear depreciation applied on historic costs. Annually, the adherence to depreciation rates derived from the expected operating life of particular fixed assets is verified by the Auditor. In general, depreciation periods are in line with those of the Principles.

<u>MET</u>

N/A

<u>NSA</u>

N/A

h) For each entity, description and underlying assumptions of each item of complementary information (point 3 of Table 1), including a description of the main factors explaining the variations over the reference period;

LPS SR	
Costs of new and existing investments (see also performance plan item 2)	
3.10 Depreciation	Covered in item f) above
3.11 Cost of capital	CAPM was applied where: Risk free rate was 1.5 %, Asset beta 0.4, Market risk premium was 5% and tax was 21 %. The total value of ROE was calculated in amount of 4.43 %. This amount was multiply by new planed asset including investments under construction.
3.12 Cost of leasing	n/a

SHMÚ	
Costs of new and existing investments (see also performance plan item 2)	
3.10 Depreciation	Covered in item f) above
3.11 Cost of capital	N/A
3.12 Cost of leasing	N/A

DÚ	
Costs of new and existing investments (see also performance plan item 2)	
3.10 Depreciation	Covered in item f) above
3.11 Cost of capital	N/A
3.12 Cost of leasing	N/A

Eurocontrol costs	
3.13 Eurocontrol costs (Euro)	For particular costs see Item 3.13 of Table 1 NSA
3.14 Exchange rate (if applicable)	n/a

i) For each entity, description of the assumptions used to compute the cost of capital (point 1.4 of Table 1), including the composition of the asset base, the return on equity, the average interest on debts and the shares of financing of the asset base through debt and equity;

LPS SR	
Average asset base	
3.1 NBV fixed assets	The main assumption considered in calculation is the ANSP‘s asset put into operation before RP3. The other part of this item is calculated according to investment plan.
3.2 Adjustments total assets	n/a
3.3 Net current assets	The assumption is based on historical trend of this item, significant deviation from this trend is not expected in future.
Cost of capital %	
3.6 Return on equity	CAPM is applied where: Risk free rate is 1.5 %, Asset beta is 0.4, Market risk premium is 5%, Tax is 21 %, Total value of ROE is 4.43 %.
3.7 Average interest on debts	No loans are planned.
3.8 Share of financing through equity	100%

j) Description of the determined costs of common projects (point 3.9 of Table 1).

LPS SR					
Determined costs of common projects (in nominal terms in ‘000 national currency)					
CP reference	**2020**	**2021**	**2022**	**2023**	**2024**
SPECIFIC AGREEMENT No INEA/CEF/TRAN/M2016/13496192016_159_AF6 – DLS Implementation Project - Path 2	15 200 €				
SPECIFIC AGREEMENT No INEA/CEF/TRAN/M2015/1132963 - NewPENS	49 000 €				

Stakeholders contribution for the procurement and deployment of NewPENS – Part B.Cohesion Call					
SPECIFIC AGREEMENT No INEA/CEF/TRAN/M2017/1602559 - AF5 SWIM Common PKI and policies & procedures for establishing a Trust framework	27 055 €	22 460 €			
Total (Table 1 item 3.9)	91 255 €	22 460 €			

2. Actual costs and unit costs

a) For each entity and for each cost item, a description of the reported actual costs and the difference between those costs and the determined costs, for each year of the reference period;

Not applicable for this submission

b) Description of the reported actual service units and a description of any differences between those units and the figures provided by the entity that is billing and collecting charges as well as any differences between those units and the forecast set in the performance plan, for each year of the reference period;

Not applicable for this submission

c) Breakdown of the actual costs of common projects per individual project;

Not applicable for this submission

d) Justification of the difference between the determined and the actual costs of new and existing investments of the air navigation service providers, as well as the difference between the planned and the actual date of entry into operation of the fixed assets financed by those investments for each year of the reference period;

Not applicable for this submission

e) Description of the investment projects added, cancelled or replaced during the reference period with respect to the major investment projects identified in the performance plan, and approved by the national supervisory authority in accordance with Article 28(4)..

Not applicable for this submission

ADDITIONAL INFORMATION TO REPORTING TABLES 2 – UNIT RATE CALCULATION

a) Description and rationale for establishment of the different charging zones, in particular with regard to terminal charging zones and potential cross-subsidies between charging zones;

Not applicable to en-route charging zone.

b) Description of the policy on exemptions and description of the financing means to cover the related costs;

By 2019 an ANSP had a possibility, in line with national legislation, to apply through the MoT against the State budget for recovery of costs arising from ANS provision to exempted flights. Now the change of applicable legislation is in the process of adoption by Parliament. Also, the categories of exempted flights are under review. Details will be provided in following submission.

c) Description of adjustments resulting from the traffic risk sharing mechanism in accordance with Article 27;

For 2018, due to higher traffic, 710 K€ will be returned to Users in 2020 (See also in Table 3 ANSP).

d) Description of the differences between determined costs and actual costs of year n as a result of the changes in costs referred to in Article 28(3) including description of the changes referred to in that Article;

Not applicable for this submission

e) Description of adjustments resulting from unforeseen changes in costs in accordance with Article 28(3) to (6);

Not applicable for this submission

f) Description of the other revenues, if any, broken down between the different categories indicated in Article 25(3);

Not applicable for this submission

g) Description of the application of the financial incentive schemes referred to in Article 11(3) and 11(4) in year n and the resulting financial advantages and disadvantages; description and explanation of the modulation of air navigation charges applied in year n under Article 32 where applicable, and resulting adjustments;

Financial incentive schemes

The description and justification of the parameters of the incentive scheme defined in accordance with Article 11(3) and 11 (4) are provided in the body of the performance plan under item 5.2.

Modulation of charges

Not applicable.

h) Description of adjustments relating to the temporary application of a unit rate under Article 29(5);

Not applicable for this submission

i) Description of the cross-financing between en route charging zones, or between terminal charging zones, in accordance with point (e) of Article 15(2) of Regulation 550/2004;

Not applicable – there is only one charging zone.

j) Information on the application of a lower unit rate under Article 29(6) than the unit rate calculated in accordance with Article 25(2) and the means to finance the difference in revenue;

Not applicable.

k) Information and breakdown of the adjustments relating to previous reference periods impacting the unit rate calculation;

For details/amounts relating to particular adjustments see Table 3 ANSP.

ADDITIONAL INFORMATION TO REPORTING TABLE 3 – COMPLEMENTARY INFORMATION ON COMMON PROJECTS AND ON UNION ASSISTANCE PROGRAMME

I) Information on the costs of common projects and other funded projects broken down per individual project, as well as of public funds obtained from public authorities for these projects.

For details see Table 4.