

[F.No. AERA/20010/MYTP/IOSL/ITP/Mum/2014-15]

Airports Economic Regulatory Authority of India

Order No. 12/2015-16

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi -110003

Date of Order: 20th May, 2015

Date of Issue: 27th May, 2015

Service: Into Plane Services
Service provider: M/s Indian Oil Sky Tanking Limited
Airport: Chhatrapati Shivaji International Airport (CSIA),
Mumbai

Determination of tariff for the fourth (2014-15) and fifth (2015-16) tariff year of the first control period.

This Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued the Guidelines [The Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft), Guidelines, 2011] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period. In case a new Service Provider is granted permission for providing regulated service(s) at a major airport, the service provider shall, within two months of the date of grant of such permission, submit to the Authority for its consideration, a Multi Year Tariff Proposal (MYTP) in accordance with these Guidelines.

2. Accordingly, IOSL vide letter no. AV/TSD/Mumbai dated 15.11.2014 submitted their Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP) for the 4th tariff year (2014-15) and 5th tariff year (2015-16) for the current control period (2011-2016) for providing ITP services at CSI Airport, Mumbai.

3. Subsequently, the Authority considered the MYTP and ATP for the fourth and Fifth tariff year and issued Consultation Paper No. 01/2015-16 dated 07.04.2015 for stakeholder's consultation. The last date of receipt of comments was 18.04.2015. In response thereof, comments have been received from the following stakeholders/others:

- (i) Shell MRPL Aviation Fuels and Services Limited vide letter of even no. dated 16.04.2015 has offered the comments in response to consultation paper as below:
".....We have gone thru the consultation paper no. 01/2015-16 dated 07.04.2015. We do not have any comment on the ITP charges increase of 5% for 1st Control



period i.e. increase of tariff from Rs. 198/KL to Rs. 207.90/KL for year 2015-16. We also accept the proposal for 2nd control period i.e. 2016-17 to 2020-21 where in again YOY 5% increase was sought.

Please accept this letter as our consent for the increase in ITP charges for 1st and 2nd Control period to IOSL for providing ITP service at CSIA, Mumbai for aircraft Refuelling, Aircraft Defueling and aircraft refuelling defueled product into an aircraft.....”

- (ii) HPCL vide letter of even no. dated 17.04.2015 has offered the comments in response to consultation paper as below:

“..... We have perused the above consultation paper. IOSL has sought approval of ITP Charges for the fourth (2014-15) & Fifth (2015-16) tariff years from the Authority as under:

Period	Aircraft Fuelling	Aircraft Defueling within 6 hours	Aircraft Defueling beyond 6 hours	Aircraft Refueling Defueled product into an aircraft within 6 hours	Aircraft Refueling Defueled product into an aircraft beyond 6 hours
Tariff Year 4 (2014-15)	198	200	250	200	250
Tariff Year 5 (2015-16)	207.9	210	262.5	210	262.5

We agree to the proposal”

- (iii) MIAL vide letter of even no. dated 18.04.2015 has offered the comments in response to consultation paper as below.

“..... We understand that ceiling rates proposed in Annexure 2 are exclusive of applicable Service Tax and the same will be charged extra, which may be stated explicitly.....”

- (iv) MAFFFL vide letter of even no. dated 17.04.2015 has offered the comments in response to consultation paper as below.

“.....The section of Indian Oil Skytanking Limited (IOSL), which provides the Into Plane Services at CSI Airport, was done by way of competitive bidding through public tender, hence the proposal at AERA to adopt “Light Touch Approach” for determination of tariff for the 1st control period (2011-2016) is reasonable and we are in agreement with the same.....”



4. IOSL vide letter dated 28.04.2015 has requested approval of the Authority for Tariff for the period from 01.01.2015 to 31.03.2015 of FY 2014-15 and for the period 01.04.2015 to 31.03.2016 of FY 2015-16 of the 1st control period. IOSL has further informed the Authority that they are at present raising "Provisional Invoices" on the suppliers who avail their ITP Services stating that the Rates for ITP Service Fee are provisional and subject to approval of the Authority. The rates charged are as per the Tariffs in the table indicated in their earlier submission, vide letter dated 15.11.2014. IOSL has mentioned that they have been providing ITP Services at CSIA, Mumbai from 01.01.2015 for Indian Oil Corporation Limited (IOCL) and from 15.01.2015 for Hindustan Petroleum Corporation Limited (HPCL).

ORDER

5. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) The ITP services being provided by Indian Oil Sky Tanking Ltd at CSI Airport, Mumbai is "material but competitive", and decided to adopt a "Light Touch Approach" for determination of tariff for the 1st Control period (2011-2016)
- (ii) The Tariff for the period 01.01.2015 to 31.03.2016 of the first control period, as submitted by Indian Oil Skytanking Limited for into plane services at CSI Airport, Mumbai is determined as at **Annexure-I**.

**By the Order of and in the
Name of the Authority**

Alok Shekhar
**(Alok Shekhar)
Secretary**

To,

**Indian Oil Skytanking Ltd.
Fuel Farm Facility,
Bangalore International Airport,
Devanahalli,
Bangalore – 560 300
(Through Shri R Sitharthan, Chief Executive Officer)**



Annexure – I

M/s Indian Oil Skytanking Limited,
Chhatrapati Shivaji International Airport (CSIA), Mumbai

Tariff for the Fourth (2014-15) and Fifth (2015-16)
tariff years for the first control period for the period 01.01.2015 to 31.03.2016.

Period	Aircraft Fuelling	Aircraft Defueling within hours	6	Aircraft Defueling beyond hours	6	Aircraft Refueling Defueled product into an aircraft within 6 hours	Aircraft Refueling Defueled product into an aircraft beyond 6 hours
Tariff Year 4 & (2014- 15) & 5 (2015-16)	198	200		250		200	250



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AERA