

[F. No. AERA/20010/MYTP-BSSPL /ITP /BIAL /2011-2012]

Airports Economic Regulatory Authority of India

Order No. 26/ 2012-13

**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi -110 0 03**

Date of Order : 29th October, 2012

Date of Issue: 22nd November, 2012

In the matter of Determination of Annual Tariff for providing Into Plane Services at Bangalore International Airport, Bengaluru by Bharat Stars Services Private Limited for the first and second tariff year of the first control period.

The Authority had issued a Multi-Year Tariff Order (MYTO) No. 20/2011-12 dated 25.10.2011 wherein the Authority had decided to adopt 'light touch approach' for determination of the tariff for the first Control Period and also determined the tariffs for the period w.e.f. 01.06.2010 to 31.03.2011 for Into Plane Service (ITP) being provided by Bharat Star Services Private Limited (BSSPL) at Bangalore International Airport, Bengaluru. A typographical error in the MYTO was also rectified vide corrigendum dated 24.01.2012.

2. The MYTO was issued pursuant to the Order dated 19.10.2011 of the Hon'ble AERA Appellate Tribunal in Appeal No. 12 of 2011, wherein the Tribunal ordered that:-
"It is made clear the even if any final order is passed by the respondent- Airports Economic Regulatory Authority, the same shall not be given effect to without leave of the Appellate Tribunal".

The said order of the Appellate Tribunal is still in force.

3. BSSPL submitted Annual Tariff Proposal (ATP) for the first and second tariff year i.e. 2011-12 and 2012-13, with 5% escalation in the prices for consideration of the Authority justifying that the proposed escalation for ITP Charges had been notified to concerned suppliers prior to submission of Annual Tariff Proposal.

4. The Authority considered the ATP submitted by BSSPL and issued a Consultation paper No. 15/2012-13 on 11.09.2012 for stakeholder consultation.

5. With reference to the subject consultation paper, Hindustan Petroleum Corporation Limited (HPCL) offered their comments. HPCL, while agreeing with the proposed ITP rates for the period 01.04.2011 to 31.05.2012, sought effective date of application of tariff to be 1st November 2011 and that for the period 01.06.2012 to 31.03.2013, the effective date of application of tariff to be on prospective basis, applicable from the first day of the subsequent month in which final order is issued by AERA.



6. In response to the comments of HPCL, BSSPL submitted that the proposed escalation @ of 5% for ITP Charges had been notified to concerned suppliers including HPCL prior to submission of ATP and thus, the suppliers were informed well in advance about the proposed escalation. BSSPL further mentioned that though requisite approvals from the Authority with proposed escalation factor have been obtained for the period 11.06.2010 to 31.03.2011, it cannot be implemented till leave of AERA Appellate Tribunal and thereby leading to constant financial burden on the organization. Further, in the prevailing economic scenario an escalation of 5% is the bare minimum to sustain smooth and safe operations.

7. The Authority has observed that HPCL have sought for prospective implementation of the revised rates. However, BSSPL has submitted that the increase in costs is the bare minimum to sustain smooth and safe operations in the prevailing economic scenario. The Authority has also noted that the ATF suppliers had been notified by BSSPL regarding the proposed escalation in ITP charges prior to submission of ATP. Hence, these can be determined with effect from the dates requested for by BSSPL.

ORDER:

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

- (i). The tariff for the First Tariff year (2011-12) w.e.f 01.04.2011 and for the Second Tariff year (2012-13) w.e.f 01.04.2012, for Into Plane Services provided at Bangalore International Airport, Bengaluru by Bharat Star Services Private Limited are determined as at **Annexure-I**.

8.2 This order is subject to the decision of the Hon'ble AERA Appellate Tribunal, as referred to in para 2 above, that this order of Authority shall not be given effect to without leave of the Appellate Tribunal.

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


**(Capt. Kapil Chaudhary)
Secretary**

To

**M/s Bharat Stars Services (P) Ltd
Corporate Office, 1st Floor,
Plot A-S & 6, Sector 1,
Noida - 201 301
(Through: Shri Vijay Ranjan, Chief Executive Officer)**



Annexure-I

Into Plane Service Fees of Bharat Stars Services (P) Ltd for the first and second tariff year at Bangalore International Airport, Bengaluru.

Price in Rs. / Kilolitre

| Period | Fuelling of Aircraft | Defueling of Aircraft | | Refuelling of Defuelled Product into an aircraft | |
|------------------------------|----------------------|-----------------------|---------------|--|---------------|
| | | Within 48 hrs | Beyond 48 hrs | Within 48 hrs | Beyond 48 hrs |
| 01.04.2011-31.05.2011 | 210.00 | 210.00 | 252.00 | 231.00 | 252.00 |
| 01.06.2011-31.03.2012 | 220.50 | 220.50 | 264.60 | 242.55 | 264.60 |
| 01.04.2012-31.05.2012 | 220.50 | 220.50 | 264.60 | 242.55 | 264.60 |
| 01.06.2012-31.03.2013 | 231.53 | 231.53 | 277.83 | 254.68 | 277.83 |

