

Airports Economic Regulatory Authority of India

Amendment to Order No. 34/2019-20

**In the matter of Determination of Aeronautical Tariffs in
respect of Rajiv Gandhi International Airport (HYD),
Shamshabad, Hyderabad for the 2nd Control Period**

(01.04.2016 – 31.03.2021)

Date of Issue: 26th May, 2020

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



1. BACKGROUND

1.1. Airports Economic Regulatory Authority of India (“AERA” or “Authority”) issued Order No. 34/2019-20 dated 27th March, 2020 in the matter of determination of aeronautical tariffs for aeronautical services in respect of Rajiv Gandhi International Airport, Hyderabad which is operated by Hyderabad International Airport Limited (‘HIAL’) for the 2nd Control Period from 01.04.2016 to 31.3.2021.

1.2. As part of the Order No. 34/2019-20, the Authority has considered revenues from fuel farm services as aeronautical revenues. An extract of the Authority’s Order confirming the same is as follows:

“5.e. To treat cargo, ground handling, **fuel farm**, vehicle fueling services, CUTE/CUSS/BRS IT services, cargo satellite building and fixed electrical ground power (FEGP), as aeronautical assets to be included in the calculation of RAB as discussed in paras 5.40 to 5.48. In addition, the Authority decides to reallocate the project site office and new office building between aeronautical and non-aeronautical categories as discussed in paras 5.49 to 5.52.”

1.3. The Authority further notes that HIAL’s revenues from fuel farm comprise the following:

- (a) Fuel Infrastructure Charge
- (b) Fuel Throughput Charge

1.4. Through this addendum, the Authority would like to clarify the manner in which HIAL would be allowed to recover revenues from fuel farm services.

2. AUTHORITY’S REVIEW

2.1. The Authority has perused the rate card submitted by HIAL in response to Consultation Paper No. 30/2017-18 for the 2nd Control Period of Rajiv Gandhi International Airport, Hyderabad and noted that HIAL had proposed fuel charges as given below,

“...

Charges per KL of Fuel	Amount in Rs. / KL
Infrastructure Charges	Rs 1500/-
Fuel Throughput Charges	Rs. 670/-

KL – Kiloliters

1 KL = 1000 Litres

...”

2.2. The Authority vide para 13.28 of Order No. 34/2019-20 has decided not to allow HIAL to recover fuel throughput charges as a result of the letter issued by Ministry of Civil Aviation addressed to Chairperson of the Authority dated 8.01.2020, stating that fuel throughput



charges have been discontinued from all airports. An extract of the Authority's position has been presented below,

"13.28. Additionally, HIAL would not be allowed to levy fuel throughput charges as a result of the letter issued by Ministry of Civil Aviation addressed to Chairperson of the Authority dated 8.01.2020, stating that the fuel throughput charges have been discontinued at all airports. The Authority feels that any loss of revenue due to abolishing the FTC will be more than adequately compensated by over recovery made by HIAL during 2nd Control Period, and HIAL would not require any additional cash compensation. Accordingly, the Authority will calculate the loss of revenue due to the discontinuation of FTC and adjust it from the over-recovery made in the 2nd Control Period at the time of tariff determination for the 3rd Control Period."

- 2.3. With regard to the fuel infrastructure charges, the Authority hereby clarifies that HIAL would be entitled to levy fuel infrastructure charges at the rate of Rs. 1,500 per KL as proposed by HIAL in its rate card in response to Consultation Paper No. 30/2017-18 for the 2nd Control Period of Rajiv Gandhi International Airport, Hyderabad. The revenue collected by HIAL by way of levying such fuel infrastructure charges shall also be considered while re-computing over-recovery based on HIAL's actual financial results for the 2nd Control Period, as already mentioned in Authority's para 13.27 of Order No. 34/2019-20 along with adjustment towards appropriate carrying cost while determining tariff for the 3rd Control Period falling due from 01.04.2021.

3. ORDER

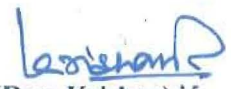
- 3.1. Based on the above, the Authority Orders that:
- 3.2. The Fuel Infrastructure Charges for FY 2020-21 allowed to HIAL shall be as follows:

Charges per KL of Fuel	Amount in Rs./ KL
Infrastructure Charges	Rs. 1500/-

KL – Kiloliters 1 KL = 1000 Liters

- 3.3. All other terms of Order No. 34/2019-20 shall remain unchanged.

By the Order of and in the Name of the Authority


(Ram Krishan)
Director (P & S)

To,

GMR Hyderabad International Airport Limited
Shamshabad, Hyderabad - 500409
(through SGK Kishore, CEO, GMR Hyderabad International Airport Ltd.)

Amendment to Order No. 34/2019-20

