



Airports Economic Regulatory Authority of India

Annual Tariff Proposal for the third, fourth and fifth years of the first control period submitted by Indian Oil Sky Tanking Ltd for providing Into Plane services at Bangalore International Airport, Bengaluru.

New Delhi: 20th March, 2013

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003**

The Authority had considered the Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP), for the first control period submitted by Indian Oil Skytanking Ltd (IOSL) in respect of the tariff for Into Plane Service (ITP) being provided at Bangalore International Airport, Bengaluru. After due stakeholder consultation, the Authority issued Multi-Year Tariff Order (MYTO) No. 19/2011-12 dated 25.10.2011 wherein the Authority decided to adopt 'light touch approach' for determination the tariff for first tariff year w.e.f. 01.04.2011 to 31.03.2012. Further, tariff for the second tariff year w.e.f. 01.04.2012 to 31.03.2013 was determined accordingly, vide Order No. 25/2012-13 dated 22.11.2012.

2. These Orders of tariff determination were issued subject 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. IOSL, vide letter dated 09.01.2013 (**Annexure – I**), has submitted ATP for the third, fourth and fifth tariff years for consideration and approval of ITP charges. IOSL also submitted that the rates are in line with the agreements entered into with the suppliers. There is an increase in rate by 5% each tariff year which was also maintained during the previous two tariff years.

4. In accordance with the Guidelines [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], IOSL have made the following additional submissions;

- (i) Form B, duly filled in and signed.
- (ii) Form 14(b) ATP for three tariff years 2013-14, 2014-15 and 2015-16.
- (iii) Communication to suppliers.

5. The Authority has carefully considered the proposal submitted by IOSL for ITP being provided at Bangalore International Airport, Bengaluru and decided to make the following proposal for stakeholder consultation;

- (i) The Tariff for ITP services provided by Indian Oil Skytanking Ltd at Bangalore International Airport, Bengaluru for the third, fourth and fifth tariff years of the first Control Period, are tentatively decided to be as at **Annexure -II**.
- (ii) The above decision is subject to the order of Hon'ble AERA Appellate Tribunal referred to in para 2 above.

6. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 5 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and

constructive manner, necessary documents are enclosed. For removal of doubts, it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

7. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 5 above, **latest by 03.04.2013** at the following address:

Capt. Kapil Chaudhary(Retd.)
Secretary
Airports Economic Regulatory Authority of India
AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003
Email : kapil.chaudhary@aera.gov.in
Tel : 011-24695042
Fax : 011-24695039

Yashwant S. Bhave
Chairperson

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

Annexure-1

AV/TSD/BIAL -ITP
9th January 2013

82/212/13
10/1/13

The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdurjang Airport,
New Delhi 110 003

"Without Prejudice"

Dear Sir,

Subject: Submission of proposal for determination of Annual Tariff for Into Plane Service Fee by Indian Oil Skytanking Ltd. for the years 2013-14 to 2015-16 : ITP Service Provider at Bangalore International Airport, Bangalore

Reference may please be made to AERA Multi Year Tariff Order (MYTO) No. 19/2011-12 dated 26th July 2011 (date of issue : 25th October 2011) on the subject of Into Plane Service at Bangalore International Airport, Bangalore approving the ITP Service by IOSL at Bangalore under 'Light Touch Approach' and the tariff for the ITP service by IOSL. Subsequently AERA has also approved second year tariff for the year 2012-13 vide order no 25 / 2012-13 dated 29th October 2012 (date of issue : 22nd November 2012).

For the purpose of determining the Annual Tariff for 2013-14 to 2015-16, under the 'Light Touch Approach', we are required to submit Form B and Form 14 (b) as pointed out in Clause AI 8.2 of the AERA Guidelines dated 10th January 2011. As per the requirement, we are now attaching herewith Form B and Form 14(b) duly filled.

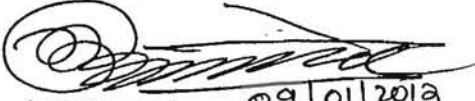
We request that approval may kindly be accorded to the following tariff for the year 2013-14 to 2015-16 (remaining part of 1st Control Period) which are in line with the user agreements we have entered into with the suppliers:

All figs. in Rs. per KL

Period	Fuelling of Aircraft	Defuelling Aircraft		Refuelling Defuelled Product into an aircraft	
		Within 6 hrs.	Beyond 6 hrs.	Within 6 hrs.	Beyond 6 hrs.
01.04.2013 to 31.05.2013	231.53	231.53	277.83	254.68	277.83
01.06.2013 to 31.03.2014	243.11	243.11	291.72	267.41	291.72
01.04.2014 to 31.05.2014	243.11	243.11	291.72	267.41	291.72
01.06.2014 to 31.03.2015	255.27	255.27	306.31	280.78	306.31
01.04.2015 to 31.05.2015	255.27	255.27	306.31	280.78	306.31
01.06.2015 to 31.03.2016	268.03	268.03	321.63	294.82	321.63

In view of the above submissions, we request you to kindly approve the Annual Tariff Proposal for the years 2013-14 to 2015-16 (remaining part of 1st Control Period) at the earliest.

Thanking you,
For Indian Oil Skytanking Ltd



(T.S. Dupare) 09/01/2013
Chief Executive Officer

Enclosures : a/a

CC : Mr Girish Nair, AVP- Head Airline Marketing and Aviation Contracts, BIAL, Bangalore

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

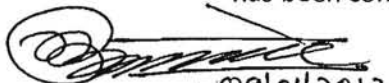
AT NEW DELHI


SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON BEHALF OF

M/s. Indian Oil Skytanking Ltd.
Fuel Farm Facility
Bangalore International Airport,
Devanahalli
Bangalore 560 300

We, T.S. Dupare and D. Ganesh, aged 52 and 50 years respectively, resident of India acting in our official capacity as Chief Executive Officer (CEO) and Chief Financial Officer and Company Secretary (CFO & CS) in M/s. IndianOil Skytanking Limited having its registered office at Fuel Farm Facility, Bangalore International Airport, Devanahalli, Bangalore 560 300 do hereby state and affirm as under that:

1. That we are duly authorized to act for and on behalf of M/s IndianOil Skytanking Limited in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority');
2. We are competent to make this submission before the Authority;
3. We are making this submission in our official capacity and the facts stated herein are based on official records;
4. The contents of the Annual Tariff Proposal submission which include inter alia
 - (i) ~~Estimated Maximum Allowed Yield per Unit and the proposed detailed break-up of Tariff(s) (in context to Estimated Maximum Allowed Yield per Unit where determined by the Authority) where the Authority has specified a price cap approach for the duration of the Control Period, pursuant to Clause 3.2;~~
OR
Proposed detailed breakup of Tariff based on Clause 11.2 where the Authority has specified a light touch approach for the duration of the Control Period pursuant to Clause 3.2 (strike out whichever is not applicable); and
 - (ii) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.


(T.S. Dupare) 09/01/2013
CEO


(D. Ganesh) 9/1/13
CFO & CS

Place: Bangalore
Date: 09/01/2013

IndianOil Skytanking Limited
Bangalore - Into Plane Services

Form F14 (b): Annual Tariff Proposal for Tariff Year - Format for providing information on Tariff(s) (ref: Section A1.8 of Appendix I)				
Tariff Heading	Conditions of Tariff	Applicable Discount/Surcharge	Estimated units	Estimated Revenues-Rs.
April to March				
Tariff -Aviation Fuel-2013-14 : For 01.04.2013 to 31.05.2013	Tariff per kilo litre (Rs 231.53 per KL)*	-	80,100.00	1,85,45,553
Tariff -Aviation Fuel-2013-14 : For 01.06.2013 to 31.03.2014	Tariff per kilo litre (Rs 243.11 per KL)*	-	290089.00	7,05,23,537
Total			3,70,189.00	8,90,69,090

* Approval requested for Tariff per KL i.e. Rs 231.53 per KL for the period 01.04.2013 to 31.05.2013 and Rs 243.11 per KL for the period 01.06.2013 to 31.03.2014 in line with the user agreements

Tariff Heading	Conditions of Tariff	Applicable Discount/Surcharge	Estimated units	Estimated Revenues-Rs.
April to March				
Tariff -Aviation Fuel-2014-15 : For 01.04.2014 to 31.05.2014	Tariff per kilo litre (Rs 243.11 per KL)**	-	62,932.00	1,52,99,399
Tariff -Aviation Fuel-2014-15 : For 01.06.2014 to 31.03.2015	Tariff per kilo litre (Rs 255.27 per KL)**	-	2,95,891.00	7,55,32,096
Total			3,58,823.00	9,08,31,494

** Approval requested for Tariff per KL i.e. Rs 243.11 per KL for the period 01.04.2014 to 31.05.2014 and Rs 255.27 per KL for the period 01.06.2014 to 31.03.2015 in line with the user agreements

Tariff Heading	Conditions of Tariff	Applicable Discount/Surcharge	Estimated units	Estimated Revenues-Rs.
April to March				
Tariff -Aviation Fuel-2015-16 : For 01.04.2015 to 31.05.2015	Tariff per kilo litre (Rs255.27 per KL)***	-	64,191.00	1,63,86,037
Tariff -Aviation Fuel-2015-16 : For 01.06.2015 to 31.03.2016	Tariff per kilo litre (Rs 268.03 per KL)***	-	3,01,809.00	8,08,93,866
Total			3,66,000.00	9,72,79,903

*** Approval requested for Tariff per KL i.e. Rs 255.27 per KL for the period 01.04.2015 to 31.05.2015 and Rs 268.03 per KL for the period 01.06.2015 to 31.03.2016 in line with the user agreements

(Signature)
(T. S. D. PARE) 09/11/2013
CEO
IOSL

(Signature) 9/11/13
(A. GANESH)
CEO & CS
IOSL