

File No. AERA/20010/MYTP-BSSPL/ITP/Del/2011-12

Consultation Paper No. 2/2012-13



Airports Economic Regulatory Authority of India

**Annual Tariff Proposal submitted by Bharat
Stars Services Private Limited for providing Into
Plane Services at IGI Airport, New Delhi.**

New Delhi: 2nd April, 2012

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

Bharat Stars Services Pvt. Ltd., (BSSPL) have vide letter no. BSSDPL/AERA dated 24.02.2012 and subsequent submissions dated 27.02.2012 and 23.03.2012 submitted their Annual Tariff proposal (ATP) for 2nd tariff year i.e. 2012-13 of the 1st Control Period of 5 years commencing w.e.f. 01.04.2011, in pursuance of **the Authority's** Multi Year Tariff Order (MYTO) No. 2/2011-12 dated 30.05.2011 vide which the Authority had ordered that -

- (i) In exercise of powers conferred by Section 13(1)(a) of the Act, the Authority hereby approves that Bharat Stars Services Private Limited (BSSPL), the Into Plane Service Provider at IGI Airport, New Delhi may be **regulated under 'light touch' approach during the first control period of 5** years commencing 01.04.2011 and the tariff for the ITP services provided by BSSPL at IGI Airport, New Delhi for the period 28.07.2010 to 31.03.2011 and for the first tariff year 2011-12 is determined, as indicated in para 5.3 of the Order.

2.2 As per Clause AI8.2 of Appendix-I of 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 (the Guidelines) **for Regulated Service(s) deemed either 'not material' or 'material but competitive' or 'material and not competitive' but where the Authority is assured of the** reasonableness of the existing User Agreement(s), the Service Provider(s) shall submit, for the consideration of the Authority, an Annual Tariff Proposal for review of Tariff(s) to be charged in the following Tariff Year in a Control Period, in the specified Form B and Form 14(b). The Tariff(s), as proposed by the Service Provider in the Annual Tariff Proposal, shall be on non-discriminatory basis with reference to conditions of Tariff(s) volume of the discount, rationale behind giving the discount and such other factors as may be relevant. The Guidelines also stipulate that the proposal shall be supported by details of consultation with stakeholders along with:

- (a) Documented evidence that consultations with stakeholders have been undertaken;
- (b) Summary of concerns raised by the stakeholders;
- (c) Details of remedial action, if any, undertaken by the Service Provider, with reasons, in respect of the concerns so raised;
- (d) Reasons for not addressing the balance concerns.
- (e) As indicated at para AI.8.2.2 of the Guidelines, Evidence of User Agreements, if any, between the service provider and the User of the Regulated Service(s) clearly indicating the Tariff(s) that are proposed by the service provider.

3. BSSPL have furnished Form- B and Form 14 (b) along with their proposal and there is also availability of reasonable user agreement as per the Guidelines. BSSPL have furnished the copy of concession agreement with DIAL and also submitted the copies of various Into Plane agreements with oil companies such as Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) to demonstrate the viability and reasonableness of the user agreement.

4. BSSPL have sought approval for the following tariffs for the year 2012-13 in line with the existing user agreements entered into with the suppliers.

Period	Fuelling of Aircraft	Defuelling Aircraft		Refuelling Defuelled Product into an aircraft	
		Within 6 hrs	Beyond 6 hrs.	Within 6 hrs	Beyond 6 hrs.
01.04.2012-31.03.2013	164.27	164.27	246.96	205.07	246.96

5. As per the user agreements with Oil companies, the agency fee shall be subject to revision by the Into Plane Agent, in accordance with the limits set by DIAL from time to time. As per the concession agreement signed between BSSPL and DIAL, the price cap for the first Financial Year of operations (in Rs./Kilo litre) will be as set out in Schedule H of the agreement, and the same shall be escalated at a rate of 5% or WPI each year whichever is lower.

6. BSSPL have submitted their ATP for second tariff year 2012-13, after enhancing the same by 5% of the previous tariff for FY 2011-12 in terms the user agreements with oil companies as detailed at para 4 above for the approval of the Authority.

7. The Authority carefully considered the proposal submitted by BSSPL and has decided to make the following proposal for stakeholder consultation:

- (i) The tariff for ITP services provided by BSSPL at IGI Airport, New Delhi for 2nd tariff year (01.04.2012 to 31.03.2013) of the 1st Control Period may be tentatively decided to be approved as given in para 4 above, w.e.f. 01.04.2012 or such other prospective date as the Authority may finally decide.

8. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 7 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 (**Annexure-I**). 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.

9. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 7 above, latest by **16.04.2012** at the following address:

Capt. Kapil Chaudhary,
Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: kapil.chaudhary@aera.gov.in
Tel: 011-24695042
Fax: 011-24695039

Yashwant S. Bhawe
Chairperson

Annexure-I

भारत स्टार्स सर्विसेज (दिल्ली)
प्राइवेट लिमिटेड



BHARAT STARS SERVICES (DELHI)
PRIVATE LIMITED

HO.BSSDPL.AERA

February 24, 2012

To

Airport Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport, New Delhi-110003

AGM (ABS)

Kind Attn: Mr. C.V.Deepak

Pls. put up on file

Dear Sir,

24/2/12

Subject: **In the matter of economic regulation – Service Provided for Cargo Facility,
Ground Handling and Supply of Fuel to the Aircraft – Into-Plane Service Fee at
IGI Airport – ATP 2012-13**

This is reference to your Order No. 2/2011-12 dated 26/30 may 2011 on the subject.

We herewith enclose "Annual Tariff Proposal (ATP)" for the year 2012-13 along with requisite annexure as listed below for your perusal.

- Extract of Into-Plane Concession Agreement with Airport Operator (DIAL)[Complete copy of agreement already submitted during submission of MYTP]
- Form B – Submission of the ATP.
- Annual Tariff Proposal along with requisite financial details.

The "Into-Plane (ITP)" operations of BSSPL at IGI Airport Terminal commenced from July 28, 2010 & in line with out "Long Term Agreements" with fuel suppliers & Airport Operator (DIAL).

Though the rate arrived as per format given by AERA in ATP is much higher but we are requesting to approve the below rates for the year 2012-2013 which is in line with existing agreement.

ITP Service Fee (In Rs./ Kilolitre)					
Period	Fuelling Aircraft	Defueling Aircraft		Refueling defueled product into an aircraft	
		Within 6 hours	Beyond 6 hours	Within 6 hours	Beyond 6 hours
01.04.2012 to 31.03.2013	164.27	164.27	246.96	205.07	246.96

[Handwritten signature]

कॉर्पोरेट ऑफिस : 4 मंजिल, प्लॉट ए-5 एवं 6, सेक्टर-1, नोएडा - 201 301, भारत. फोन : +91 120 2474493 / 4407 फैक्स : +91 120 2474481 / 483
Corporate Office : 4th Floor, Plot A-5 & 6, Sector-1, Noida - 201 301, India Phone: +91 120 2474493 / 4407 Fax: +91 120 2474481 / 483

This submission including the enclosed "Agreements", Financial & other Business details is confidential in nature. It is requested that the same is not put in public domain to ensure that our business interests are protected & confidentiality is maintained.

Thanking you & assuring of our best co-operation at all times.

Yours faithfully

For Bharat Stars Services (Delhi) Private Limited


V. Ranjan
Chief Executive Officer

Enclosed: As above.

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भारत स्टार्स सर्विसेज (दिल्ली)
प्राइवेट लिमिटेड



BHARAT STARS SERVICES (DELHI)
PRIVATE LIMITED

HQ/BSSPL/AERA

March 23, 2012

To
Secretary
Airports Economic Regulatory Authority of India
AERA Building
Safdurjung Airport
New Delhi-110003

KA: Mr. C.V. Deepak

Sub: Revised Form 14 (b)

We write with reference to our previous letter dated 27th February 2012. Please find attached herewith Revised Form 14(b) which may be considered for your approval of tariff for the Financial Year 2012-13.

Thanking you & assuring of our best cooperation at all times.

For Bharat Stars Services (Delhi) Pvt. Ltd.

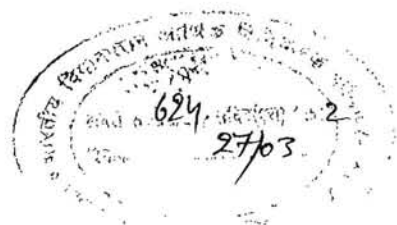
V.Ranjan

Chief Executive Officer

OSD/A
का. व. डी. दीपाक
शुभम
AGM (AROS)

Enclosed As above.

402/OSD-II
28/3/12



(A)
27/3/12

Form B

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AT NEW DELHI

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

M/S BHARAT STARS SERVICES (DELHI) PRIVATE LIMITED

I, Vijay Ranjan, aged 50 resident of D1702, BPCL Housing Complex, Sector 56, Noida 201301 acting in my official capacity as Chief Executive Officer in *M/s Bharat Stars Services (Delhi) Private Limited* having its registered office at BPCL Aviation Fuelling Station, Indira Gandhi International Airport Terminal II, New Delhi-110061 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of *M/s Bharat Stars Services (Delhi) Private Limited* in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority');
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;

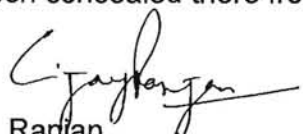
4. The contents of the Annual Tariff Proposal submission which include inter alia

(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 break-up of Tariff(s) 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 (*strikeout whichever is not applicable*); and

(ii) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.



V. Ranjan
(Chief Executive Officer)

Place DELHI
Date: 24/2/12

Form 14(b): Annual Tariff Proposal for Tariff Year 2012-13 (for Delhi Airport)

BSSDPL

(Rs. In Millions)

Tariff heading	Conditions of Tariff	Applicable Discount/Surcharge	Estimated Units	Estimated Revenues
	e.g. Tariff per KL of fuel	e.g. Discount if paid within 15 days	e.g. Through put in KL	Tariff * Estimated Units
Tariff (2012-13)	*Rs. 164.27	Nil	611912	100.52
Total			*Total units to reconcile traffic forecast	*Total estimated revenue consistent with Estimated Maximum Allowed Yield

1. This rate is less than the arrived rate as per EMAY of Form 14(a).
2. The approval requested for tariff per KL (Rs. 164.27) is in line with the user agreements.
3. Tariff for defueling and refuelling of defueled product are already indicated in our covering letter.



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