

File No. AERA/20010/MYTP-IOSL/ITP/BIAL/2011-12

Consultation Paper No. 15/2012-13



Airports Economic Regulatory Authority of India

**Annual Tariff Proposal (ATP) submitted by M/s
Indian Oil Skytanking Limited (IOSL) for
providing Into Plane Services (ITP) at Bangalore
International Airport, Bangalore**

New Delhi: 13th August, 2012

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

The Authority considered the Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP for FY.2011-12)) submitted by M/s Indian Oil Skytanking Limited (IOSL) for the first control period commencing from 01.04.2011, in respect of the tariff for Into Plane Service (ITP) being provided at Bangalore International Airport, Bangalore and after due stakeholder consultation issued a Multi Year Tariff Order (MYTO) No. 19/2011-12 dated 25.10.2011 ordering that:

- (i) In exercise of powers conferred by Section 13(1)(a) of the Act, the Authority hereby approves that the Into Plane Service provided by Indian Oil Sky Tanking Ltd. at Bangalore International Airport, Bengaluru, will 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 IOSL at Bangalore International Airport, Bengaluru for the period 01.06.2010 to 31.03.2011 and for the first tariff year 2011-12 is determined.

2.1 The Order no. 19/2011-12 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 the Order of Authority shall not be given effect to without leave of the Appellate Tribunal. The said order of the Appellate Tribunal is still in force.

2.2 As per the clause 11.2 of the Guidelines, the Annual Tariff Proposal (i.e. ATP) is required to be submitted in the form and manner as provided in Appendix AI.8.2 wherein it is mentioned that the ATP should be supported by:

- Form B and Form F14(b),
- Details of consultation with stakeholders
- Evidence of User Agreements clearly indicating the Tariff (s) proposed by the service Provider.

2.3 As per the Guidelines, the Annual Tariff Proposal (i.e. ATP) is required to be submitted at least 75 days prior to the start of the Tariff Year. IOSL have vide letter no. AERA/ITP/BLR/2012-13 dated 28.02.2012 submitted their ATP for the second tariff year i.e. 2012-13.. IOSL have furnished the following documents along with their ATP for the second tariff year (FY 2012-13).

- i. Form-B
- ii. Form F14(b)- where in tariffs only for fuelling of the Aircraft is mentioned. The tariffs for Defuelling and Refueling of Defuelled product have not been reflected in the form F14(b). However, the same have been reflected in the covering letter attached to their ATP.
- iii. Copies of Agreements for “into plane services” entered into between IOSL and Oil companies i.e. IOCL, HPCL, SHELL MRPL Aviation and Reliance Industries to demonstrate the viability and reasonableness of the user agreement has already been submitted by IOSL along with their MYTP.

2.3 IOSL have sought approval for the following tariffs for the year 2012-13.

Period	Fuelling of Aircraft	Defuelling Aircraft		Refuelling of Defuelled Product into an aircraft	
		Within 6 hrs	Beyond 6 hrs.	Within 6 hrs	Beyond 6 hrs.
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

2.4 From para 2.4.1 of the ITP Concession Agreement between IOSL and BIAL, it is observed that the ITP service fee is to be charged at an annual escalation of 5% as per the table given in Schedule H of the Concession Agreement.

3. The Authority noted that:

- a) As the ITP service being rendered by IOSL at Bangalore International Airport is “material but competitive” and tariff determination for the same was ordered to be determined under ‘light touch approach’. The tariff for the period 01.06.2010 to 31.03.2011 and for the first tariff year i.e. 2011-12 of the first control period starting from 01.04.2011 were also determined by the Authority accordingly.
- b) IOSL have submitted their ATP for the second tariff year (2012-13) of the first control period.

4. After careful consideration of the matter, the Authority decided to make the following proposal for stakeholder consultation:

- (i) The ATP submitted by IOSL for the second tariff year (01.04.2012 to 31.03.2013) of the first control period for providing the ITP services at Bangalore International Airport, Bangalore is tentatively decided to be approved. **(Annexure - I)**.
- (ii) The above tentative decision is subject to the Order of the Hon’ble AERA Appellate Tribunal referred to in para 2.1 above.

5. In accordance with the provisions of Section 13(4) of the AERA Act 2008, the proposal contained in para 4 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 as Annexure – I & II. 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.

6. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, **latest by 27.08.2012** 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. Bhave
Chairperson

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 for the year 2012-13 by IndianOil Skytanking Ltd. - ITP Service Provider at Bangalore International Airport, Bangalore

Reference may please be made to AERA order 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.

For the purpose of determining the Annual Tariff for 2012-13 under the 'Light Touch Approach', we are required to submit Form B and Form 14 (b) as mentioned 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.

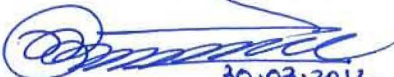
We request that approval may kindly be accorded to the following tariff for the year 2012-13 which are in line with the user agreements we have entered into with the suppliers:

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.
01.04.2012 to 31.05.2012	220.50	220.50	264.60	242.55	264.60
01.06.2012 to 31.03.2013	231.53	231.53	277.83	254.68	277.83

In view of the above submissions, we request you to kindly approve the Annual Tariff Proposal for the year 2012-13 at the earliest.

Thanking you,
Yours truly,
For Indian Oil Skytanking Ltd


(T.S. Dupare)
Chief Executive Officer

Encl: As above

OSD-II
10/4/12

MGR/PMK AGM(CFin)
10/4

10/4/12



Form B: (Ref. Section A1.8 of Appendix I)

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA


AT NEW DELHI

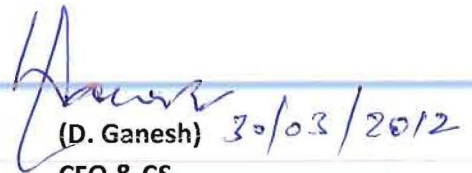
SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON BEHALF OF

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

We, T.S. Dupare and D. Ganesh, aged 51 and 49 years respectively, residents 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 our knowledge and belief and nothing material has been concealed there from.


(T.S. Dupare) 30/03/2012
CEO



(D. Ganesh) 30/03/2012
CFO & CS


Place: Bangalore
Date: 30/03/2012

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-2012-13- For 01.04.2012 to 31.05.2012	Tariff per kilo litre (Rs 220.50 per KL)**		61,484.97	1,35,57,437
Tariff -Aviation Fuel-2012-13 : For 01.06.2012 to 31.03.2013	Tariff per kilo litre (Rs 231.53 per KL)**		3,09,174.06	7,15,83,070
Total			3,70,659.03	8,51,40,506.63

** Approval requested for Tariff per KL i.e. Rs 220.50 per KL for the period 01.04.2012 to 31.05.2012 and Rs 231.53 per KL for the period 01.06.2012 to 31.03.2013 in line with the user agreements


30/03/2012
(T. S. DUPARE)
CEO
IOSL


30/3/2012
(D. SAMEER)
CEO
IOSL