

भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार का उपक्रम)

विमानन व्यवसाय इकाई



BHARAT PETROLEUM CORPORATION LTD.

(A GOVT. OF INDIA ENTERPRISE)

Aviation Business Unit

Date: 26th Aug 2021

The Chairman

Airports Economic Regulatory Authority (AERA)

AERA Building, Administrative Complex.

Safdarjung Airport, New Delhi-110003

Subject: Stakeholder Comments to CP 12 / 2021-22 dated 27th July 2021 in the matter of determination of Fuel Infrastructure Charges for M/s Delhi Aviation Fuel Facility Pvt Ltd (DAFFPL) at IGI Airport, New Delhi for the 3rd Control Period (01.04.2021 to 31.03.2026).

Dear Sir,

We write with reference to the consultation paper 12/2021-22, our comments are as given below:

1. We have already witnessed the devastating impact of the second wave of Covid-19 and further waves are feared due to the newer and more deadly variants of coronavirus emerging, hence both Domestic and International traffic is not likely to reach Pre-Covid numbers. Further since majority of ATF volumes at IGI Airport, New Delhi come from International traffic and the International Traffic particularly is likely to continue to be hit even more harder as such waves come at different times at different countries and flight restrictions are imposed even if one among a pair of countries is affected the overall ATF volumes will continue to be much lower than projected in the 3rd Control Period.

Further as a New Airport is expected to come up at Jewar during the 3rd control period which is likely to substantially take up business from IGI Airport, New Delhi the ATF volume handled is expected to be much lower than projected,

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Strategic
Partner



AERA has however on the other hand proposed to reduce the FIC by 18%, 32%, 35%, 38% & 42% for FY 21-22, 22-23, 23-24, 24-25 & 25-26 respectively.

Thus in view of expected lower volumes both due to Covid 19 impact and upcoming New Airport at Jewar, it is requested that the revenues for DAFFPL are reconsidered keeping the low Traffic and low ATF volumes expected during the 3rd Control Period so as to ensure smooth & efficient operations at all times.

2. DAFFPL is required to invest a huge Capital in the 3rd control period as the Open Access Fuel Farm facility is required to be extended to Terminal 1 of the IGI Airport, New Delhi.

AERA vide point No. 5.5.5 has not considered financing allowance on the Equity portion of the fund to be invested and considered IDC only on the debt portion. Financing allowance on the Equity portion of the fund to be invested by DAFFPL may also be considered for FIC calculations.

3. AERA has proposed 'Price Cap Approach' for determination of Fuel Infrastructure Charges to DAFFPL, however the FIC charges proposed are much less than the calculations submitted by DAFFPL and also much lower than the FIC charges already approved in 2nd control period.

It is thus requested that the FIC workings are reconsidered so that DAFFPL is able to provide satisfactory level of service and follow the required parameters of Safety and Quality.

Best Regards

(Pulkit Mathur)

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