

Email

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Fwd: APAO reponse to Consultation Paper No. 22/2019-20 dated 05.03.2020 reg. Fuel Throughput Charges at CIAL

From: RAM KRISHAN <krishan.ram@aera.gov.in> Tue, Mar 17, 2020 10:56 AM
Subject: Fwd: APAO reponse to Consultation Paper No. 22/2019-20 dated 05.03.2020 reg. Fuel Throughput Charges at CIAL 1 attachment
To: Jaimon Skaria <jaimon.skaria@gov.in>

FYI

From: shayar@apaoindia.com
To: "RAM KRISHAN" <krishan.ram@aera.gov.in>
Sent: Monday, March 16, 2020 7:25:20 PM
Subject: APAO reponse to Consultation Paper No. 22/2019-20 dated 05.03.2020 reg. Fuel Throughput Charges at CIAL

Shri Ram Krishan,
Director (P&S),
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi -110003

Dear Sir,

This is in reference to the trailing mails wherein written comments were sought on Consultation Paper No. 22/2019-20 dated 05.03.2020 in the matter of Provision of Compensation in lieu of Fuel Throughput Charges at Cochin International Airport.

Please find below submission of APAO for your kind consideration.

APAO agrees with the issues pointed by CIAL, vide their letter dated 24th January 2020, in regards to the directions issued in letter of Ministry of Civil Aviation (MoCA) F.No. AV-13030/216/2016-ER (Pt.2) dated 08.01.2020 on the issue of immediate discontinuation of FTC charges.

APAO welcomes the prompt action from AERA in regards to the issue of Consultation paper towards compensating the Airport operators for loss in revenue on account of implementation of the said MoCA letter of 08.01.2020. This is a right step taken by AERA.

The Authority has proposed to increase a uniform hike of 30.87% with effect from 1.4.2020 to 31.03.2021 to both international and domestic sectors, though CIAL has proposed for a hike of 28% and 38% for the Domestic and International sectors respectively for the period beginning from 15.01.2020 to 31.03.2020 and another hike of 6% and 9% with effect from 01.04.2020 to 31.03.2021. The loss on account of withdrawal of FTC to CIAL is estimated at Rs 46.77 crore for the period under reference. CIAL had expected that the Authority will compensate the entire loss to airport due to withdrawal of FTC, however the proposed hike will only compensate CIAL for an amount of Rs 34.83 crore as against the estimate of Rs 46.77 crore. Nevertheless the Authority has proposed to true up the figures while determining the tariff for the third control period beginning from 1.04.2021 to 31.03.2026. Considering the facts for CIAL, **APAO requests the Authority to implement the order for CIAL with effect from 15.01.2020 to 31.03.2021.**

In this connection, APAO would also like to state that the Authority, while allowing the compensation should also consider the agreement between the airport operators and the oil marketing companies, which provide for escalation in such charges, as applicable.

APAO would also like to state that the airport is in the third month since the levy of FTC has been discontinued, in view of which the Authority should have considered the future value of shortfall suffered due to such discontinuation, without waiting for truing up exercise at the end of their control period.

Please contact the undersigned, if any, further information is required from our end.

Thanks & Regards

Satyan Nayar
Secretary General



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