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इंडियन ऑयल कॉर्पोरेशन लिमिटेड

प्रधान कार्यालय

इंडियन ऑयल भवन, जी-9, अली यावर जंग मार्ग,
बांद्रा (पूर्व), मुंबई - 400 051.

Indian Oil Corporation Limited

Head Office

Indian Oil Bhavan, G-9, Ali Yavar Jung Marg,
Bandra (East), Mumbai - 400 051.

Phone : 2644 7000

Fax : 2655 2557



विपणन प्रभाग

Marketing Division

AV/RS/AERA

27th August, 2012

Capt. Kapil Chaudhary,
Secretary,
Airports Economic Regulatory Authority of India
AERA Building,
Administrative Complex,
Safdurjung Airport, New Delhi - 100 003

OSD-II
कपिल
4/9/12

Ballu
DGM(R)
AGM CSO

**Sub: Annual Tariff Proposal submitted by IndianOil Skytanking Limited (IOSL) for providing
Into Plane Services (ITP) at Bangalore International Airport, Bengaluru**

Dear Madam,

We thank you for your DO letter no. AERA/20010/MYTP-IOSL/ITP/BIAL/2011-12 dated 14th August, 2012 addressed to Shri R Sareen, ED (Aviation), seeking our comments/ views on the proposal contained in para no. 4 of the Consultation Paper no. 15/2012-13 dated 13th August, 2012.

We have perused Consultation Paper 15/2012-13 dated 13th August, 2012 and the proposal contained in your above mentioned DO letter. Our comments are as under :

- i) ITP charges for various fuelling/ defueling services for the period 1.04.2012 to 31.05.2012 have been maintained at same levels as the rates existing as on 31.03.2012, which were approved by AERA vide order no. 19/2011-12 dated 25th October, 2011.
- ii) The ITP charges for the period 1.06.2012 to 31.03.2013 have been arrived at after escalating the charges for earlier period, as mentioned at (i) above, by 5%. However since the approval of escalated charges w.e.f 1.06.2012 was not available at that time, we had not considered the escalated rates for recovery.
- iii) In case the approval for escalated rates is granted on retrospective basis w.e.f 1.06.2012, the fuel suppliers shall be liable to pay to the service provider on retrospective basis, whereas the recoveries from customers on this account can be effected only from prospective dates. Therefore such amounts shall remain unrecovered by fuel suppliers and shall be a financial loss to them.

Vide our various communications, including our earlier letter ref. AV/RS/AERA dated 23rd March, 2011 (copy enclosed for ready reference), we have requested AERA that while approving tariffs/ rates for various services related to supply of fuel, revisions if any, may please be made from **prospective date**.


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In view of the above, it is suggested that AERA may approve the tariffs, as proposed under clause 4 of the Consultation Paper 15/2012-13, as under :

- a) ITP rates as proposed for the period 1.04.2012 to 31.05.2012.
- b) Continuation of ITP rates as at (a) above till last day of the month in which final order is issued by AERA.
- c) ITP rates as mentioned for the period 01.06.2012 to 31.03.2013, may be approved on **prospective basis**, applicable from first day of the subsequent month, in which AERA issues the order.

Thanking you,

Yours Faithfully,
For Indian Oil Corporation Ltd.


27/8/2012

R Sitharthan, DGM(Avn)
For ED (Aviation)