

**Consultation Paper No. 47/2012-13**



**Airports Economic Regulatory Authority of India**

**Annual Tariff Proposal for the third, fourth and fifth years of the first control period submitted by Bharat Stars Services Private Limited for providing Into Plane services at Bangalore International Airport, Bengaluru.**

**New Delhi: 20<sup>th</sup> March, 2013**

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

The Authority had considered the Multi Year Tariff Proposal (MYTP) and Annual Tariff Proposal (ATP), for the first control period submitted by Bharat Stars Services Private Limited (BSSPL) in respect of the tariff for Into Plane Service (ITP) being provided at Bangalore International Airport, Bengaluru. After due stakeholder consultation, the Authority issued Multi-Year Tariff Order (MYTO) No. 20/2011-12 dated 25.10.2011 **wherein the Authority decided to adopt 'light touch approach' for determination the tariff for first tariff year w.e.f. 01.04.2011.** Further, tariff for first tariff year 01.04.2011 to 31.03.2012 and second tariff year 01.04.2012 to 31.03.2013 were determined accordingly, vide Order No. 26/2012-13 dated 22.11.2012.

2. These Orders of tariff determination were issued subject 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:

***"It is made clear the even if any final order is passed by the respondent-Airports Economic Regulatory Authority, the same shall not be given effect to without leave of the Appellate Tribunal".***

The said order of the Appellate Tribunal is still in force.

3. BSSPL, vide letter dated 01.02.2013 (**Annexure – I**), has submitted ATP for the third, fourth and fifth tariff years for consideration and approval of ITP charges. BSSPL also submitted that there is an increase of 5% in rate, which is in line with prevailing trend and concession agreement with the airport operator. The annual increase of 5% was also maintained during the previous two tariff years.

4. In accordance with the Guidelines [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], BSSPL have made the following additional submissions;

- (i) Form B, duly filled in and signed.
- (ii) Form 14(b) ATP for three tariff years 2013-14, 2014-15 and 2015-16.
- (iii) Communication to suppliers.

5. BSSPL has also submitted that the difference between ITP fees currently billed & ITP fees approved by AERA will be raised on suppliers once the issue is concluded by the **Hon'ble AERA Appellate Tribunal**.

6. The Authority has carefully considered the proposal submitted by BSSPL for ITP being provided at Bangalore International Airport, Bengaluru and decided to make the following proposal for stakeholder consultation;

- (i) The Tariff for ITP services provided by Bharat Star Services Private Limited at Bangalore International Airport, Bengaluru for the third, fourth and fifth tariff years of the first Control Period, are tentatively decided to be as at **Annexure -II**.
- (ii) The above decision is subject to the **order of Hon'ble AERA Appellate Tribunal** referred to in para 2 above.

7. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 6 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. 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.

8. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 6 above, **latest by 03.04.2013** at the following address:

**Capt. Kapil Chaudhary(Retd.)**  
**Secretary**  
**Airports Economic Regulatory Authority of India**  
**AERA Building**  
**Administrative Complex**  
**Safdarjung Airport**  
**New Delhi – 110 003**  
**Email : [kapil.chaudhary@aera.gov.in](mailto:kapil.chaudhary@aera.gov.in)**  
**Tel : 011-24695042**  
**Fax : 011-24695039**

**Yashwant S. Bhawe**  
**Chairperson**

Annexure -I

भारत स्टार्स सर्विसेज  
प्राइवेट लिमिटेड



BHARAT STARS SERVICES  
PRIVATE LIMITED

HO.BSSDPL.AERA

01.02.2013

To

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

Kind Attn: Mr. C.V.Deepak

Dear Sir,

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  
Bangalore**

This is reference to your Multi Year Tariff Order (MYTO) no 20/2011-12 dated 25.10.2011 wherein the authority adopted 'light Touch approach' for the first control period w.e.f. 01.04.2011 and your Order No.26/2012-13 dated 29<sup>th</sup> October, 2012 on the approval for ITP service fee for 2<sup>nd</sup> tariff year ending 31.03.2013.

We herewith enclose "Annual Tariff Proposals (ATP)" for the Into Plane Services at Bengaluru International Airport for the financial year 2013-14, FY14-15 and FY15-16 for the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> tariff year of first control period as required under 'light touch approach' as mentioned in clause A1 8.2 of AERA guidelines dated 10<sup>th</sup> January 2011.

The following forms are attached herewith

- I. Form 14B of Annual Tariff Proposal for FY13-14, FY14-15 and FY15-16
- II. Form B – Submission of the ATP
- III. Communication to suppliers.

We are requesting you to approve rates mentioned below for the year 2013-14, 2014-15 and 2015-16.

Proposed ITP Fee in Rs. /Kilo Litre as per BIAL					
PERIOD	Fuelling Aircraft	Defueling Aircraft		Refueling of Defueled product	
		Within 48 hours	Beyond 48 hours	Within 48 hours	Beyond 48 hours
01.04.13 to 31.05.13	231.53	231.53	277.83	254.68	277.83
01.06.13 to 31.03.14	243.11	243.11	291.72	267.41	291.72

Page 1 of 2

कॉर्पोरेट ऑफिस : 1<sup>st</sup> मंजिल, प्लॉट ए-5 एवं 6, सेक्टर-1, नोएडा - 201 301, भारत फोन : +91 120 2474493 / 4408 फैक्स : +91 120 2474481 / 483  
Corporate Office : 1<sup>st</sup> Floor, Plot A-5 & 6, Sector-1, Noida - 201 301, India Phone: +91 120 2474493 / 4408 Fax : +91 120 2474481 / 483

Proposed ITP Fee in Rs. /Kilo Litre as per BIAL					
PERIOD	Fuelling Aircraft	Defueling Aircraft		Refueling of Defueled product	
		Within 48 hours	Beyond 48 hours	Within 48 hours	Beyond 48 hours
01.04.14 to 31.05.14	243.11	243.11	291.72	267.41	291.72
01.06.14 to 31.03.15	255.27	255.27	306.31	280.78	306.31
01.04.15 to 31.05.15	255.27	255.27	306.31	280.78	306.31
01.06.15 to 31.03.16	268.03	268.03	321.63	294.82	321.63

The above increase of 5% is in line with prevailing trend and in line with agreements.

We would like to inform that since, your order is subject to the decision of the Hon'ble AERA Appellate Tribunal as referred in the order currently the invoices for ITP services at Bangalore are being raised at Rs.200.00/KL on provisional basis for Refueling Services at Bengaluru International Airport since FY 2009-10.

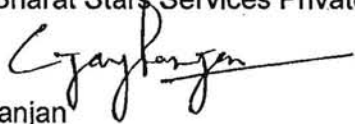
The invoices based on difference in ITP fees currently billed & ITP fees approved by AERA will be raised by us to suppliers once the issue is concluded by Hon'ble AERA Appellate Tribunal.

This submission includes extract of relevant agreements, written communication with supplier, airport operator and other business details are confidential in nature. It is requested that the same is not to 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 Private Limited

  
V. Ranjan  
Chief Executive Officer

Encl.: As above.



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 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 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 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, 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: 01/02/13.

## Form 14(b): Annual Tariff Proposal for Tariff Year 2013-14

## BSSPL- Bangalore Airport

Tariff heading	Period	Conditions of Tariff	Applicable Discount/Surcharge	Estimated Units	Estimated Revenues inRs.
		e.g. Tariff per KL of Refuelling	e.g. Discount if paid within 15 days	e.g. Through put in KL	Tariff * Estimated Units
Tariff 1	01.04.13-31.05.13	231.53	Nil	17500	40,51,775
Tariff 1	01.06.13-31.03.14	243.11	Nil	87500	2,12,72,125
Tariff 2		NA			
Tariff 3		NA			
Total	FY 2013-14			105000	2,53,23,900

Note:

1. approval is requested for tariff per KL based on 5% annual escalation in line with prevailing agreements with airport operator
2. Tariff for defuelling and refuelling of defuelled product are already indicated in our covering letter based on 5% annual escalation in line with prevailing agreements. The volume/throughput for such is insignificant compared to normal fuelling throughput and hence not mentioned above.

*ADUTTA*

**Form 14(b): Annual Tariff Proposal for Tariff Year 2014-15**
**BSSPL- Bangalore Airport**

Tariff heading	Period	Conditions of Tariff	Applicable Discount/Surcharge	Estimated Units	Estimated Revenues inRs.
		e.g. Tariff per KL of Refuelling	e.g. Discount if paid within 15 days	e.g. Through put in KL	Tariff * Estimated Units
Tariff 1	01.04.14-31.05.14	243.11	Nil	18500	44,97,535
Tariff 1	01.06.14-31.03.15	255.27	Nil	92500	2,36,12,475
Tariff 2		NA			
Tariff 3		NA			
Total	FY 2014-15			111000	2,81,10,010

Note:

1. approval is requested for tariff per KL based on 5% annual escalation in line with prevailing agreements with airport operator
2. Tariff for defuelling and refuelling of defuelled product are already indicated in our covering letter based on 5% annual escalation in line with prevailing agreements. The volume/throughput for such is insignificant compared to normal fuelling throughput and hence not mentioned above.

*Subb*  
ADVT/A



**Form 14(b): Annual Tariff Proposal for Tariff Year 2015=16****BSSPL- Bangalore Airport**

Tariff heading	Period	Conditions of Tariff	Applicable Discount/Surcharge	Estimated Units	Estimated Revenues inRs.
		e.g. Tariff per KL of Refuelling	e.g. Discount if paid within 15 days	e.g. Through put in KL	Tariff * Estimated Units
Tariff 1	01.04.15-31.05.1	255.27	Nil	19500	49,77,765
Tariff 1	01.06.15-31.03.1	268.03	Nil	97500	2,61,32,925
Tariff 2		NA			
Tariff 3		NA			
Total	FY 2015-16			117000	3,11,10,690

Note:

1. approval is requested for tariff per KL based on 5% annual escalation in line with prevailing agreements with airport operator
2. Tariff for defuelling and refuelling of defuelled product are already indicated in our covering letter based on 5% annual escalation in line with prevailing agreements. The volume/throughput for such is insignificant compared to normal fuelling throughput and hence not mentioned above.

  
ADUTPA