

File No. AERA/20010/MYTP-IOSL/ITP/Del/2011-12/Vol - I

Consultation Paper No. 39/2012-13



Airports Economic Regulatory Authority of India

**Annual Tariff Proposal for the third, fourth and fifth
Tariff years submitted by Indian Oil Skytanking
Limited for providing Into Plane Services at IGI
Airport, New Delhi.**

New Delhi: 27th February, 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 Indian Oil Skytanking Limited (IOSL) in respect of the tariff for Into Plane Service (ITP) being provided by them at IGI Airport, New Delhi. After due stakeholder consultation, the Authority issued a Multi-Year Tariff Order (MYTO) No. 1/2011-12 dated 30.05.2011 wherein the **Authority decided to adopt 'light touch approach' for determination** of the tariff for the first Control Period and also determined the ATP for the period w.e.f. 28.07.2011 to 31.03.2011 and from 01.04.2011 to 31.03.2012 (first tariff year). Further, IOSL also submitted their ATP for second tariff year (2012-13) which was also considered by the Authority and after due stakeholder consultation, the Authority issued an Order (ATO) No. 6/2012-13 dated 19.06.2012 wherein the tariff for second tariff year (w.e.f. 01.04.2012 to 31.03.2013) of the first control period, for Into Plane Services provided by IOSL at IGI Airport, New Delhi, was also determined.

2. IOSL, further, vide letter dated 09.01.2013, submitted their ATP for third (2013-14), fourth (2014-15) and fifth (2015-16) tariff years for providing Into Plane Services at IGI Airport, New Delhi, for consideration and approval of the Authority. IOSL have furnished Form B and Forms 14(b) alongwith the proposal.

3. As per the clause 11.2 of the Guidelines [Airport 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], ATP is required to be submitted in the form and manner as provided in Appendix A1.8.2 wherein it is mentioned that the ATP should be supported by:

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

4. IOSL have now sought approval of their ATP for the third, fourth and fifth tariff year (FY 2013-14, 2014-15 and 2015-16) of the first Control Period for the ITP services at IGI Airport, New Delhi in line with the user agreements, entered into with the suppliers /oil companies:

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.
01.04.2013-31.03.2014	172.48	172.48	259.30	215.32	259.30
01.04.2014-31.03.2015	181.10	181.10	272.27	226.09	272.27
01.04.2015-31.03.2016	190.16	190.16	285.89	237.39	285.89

5. As per the user agreement with suppliers/oil companies, the agency fee shall be subject to revision by the Into Plane Agent, in accordance with the limits set by Delhi International Airport Pvt. Ltd. (DIAL) from time to time. As per the concession agreement signed between IOSL and DIAL, the price cap for the first Financial Year of operations (in Rs./Kilo liters) will be as set out in Schedule H of the agreement, and the same shall be escalated at a rate of 5% or WPI each year whichever is lower.

6. IOSL have submitted their ATP after enhancing the tariff for FY 2012-13 by 5%, in terms the user agreement with suppliers/oil companies for the approval.

7. The Authority, after careful consideration of the ATP(s) for the third, fourth and fifth tariff years makes the following proposal for stakeholder consultation:

- (i) The tariff for Into Plane Services provided by Indian Oil Skytanking Limited at IGI Airport, New Delhi, for the Third tariff year (w.e.f. 01.04.2013 to 31.03.2014), Fourth tariff year (w.e.f. 01.04.2014 to 31.03.2015) and Fifth tariff year (01.04.2015 to 31.03.2016) of the first control period are tentatively decided to be determined as at para 4 above.

8. In accordance with the provisions of Section 13(4) of the AERA Act 2008, the proposal contained in para 7 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**. 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.

9. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 7 above, **latest by 13.03.2013** at the following address:

**Capt. Kapil Chaudhary (Retd.),
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. Bhawe
Chairperson**

IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

AV/TSD/DIAL-ITP
9th January 2013

83 / 4/1/13
16/1/13

The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdurjang Airport,
New Delhi 110 003

OSD-II
10/1/13

"Without Prejudice"

AGM (ABG)

Dear Sir,

Subject: Submission of proposal for determination of Annual Tariff for Into Plane Service Fee by Indian Oil Skytanking Ltd. for the years 2013-14 to 2015-16 : ITP Service Provider at IGI Airport, New Delhi

11/1/13

Reference may please be made to AERA Multi Year Tariff Order (MYTO) No. 01/2011-12 dated 26th May 2011 (date of issue : 30th May 2011) on the subject of Into Plane Service at Delhi International Airport, Delhi approving the ITP Service by IOSL at Delhi under 'Light Touch Approach' and the tariff for the ITP service by IOSL. Subsequently AERA has also approved second year tariff for the year 2012-13 vide order no 6 / 2012-13 dated 12th June 2012 (date of issue : 19th June 2012).

23/01/13
11/01/13

For the purpose of determining the Annual Tariff for 2013-14 to 2015-16, under the 'Light Touch Approach', we are required to submit Form B and Form 14 (b) as pointed out 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.

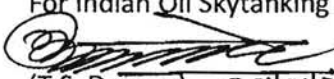
We request that approval may kindly be accorded to the following tariff for the year 2013-14 to 2015-16 (remaining part of 1st Control Period) which are in line with the user agreements we have entered into with the suppliers:

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.
01.04.2013 to 31.03.2014	172.48	172.48	259.30	215.32	259.30
01.04.2014 to 31.03.2015	181.10	181.10	272.27	226.09	272.27
01.04.2015 to 31.03.2016	190.16	190.16	285.89	237.39	285.89

In view of the above submissions, we request you to kindly approve the Annual Tariff Proposal for the years 2013-14 to 2015-16 (remaining part of 1st Control Period) at the earliest.

Thanking you,
For Indian Oil Skytanking Ltd


(T.S. Dupare) 09/01/2013
Chief Executive Officer
Enclosures : a/a

CC : Chief Commercial Officer, DIAL, New Delhi

IndianOil Skytanking Ltd. Regd. Office : Fuel Farm Facility, Bangalore International Airport, Devanahalli,

Bangalore-560 000. Tel: +91 80 66783204 Fax : +91 80 66783205

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, resident 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:

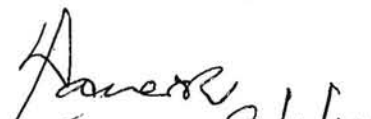
1. That we are duly authorized to act for and on behalf of **M/s IndianOil Skytanking Limited** in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority');
2. We are competent to make this submission before the Authority;
3. We are 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 my knowledge and belief and nothing material has been concealed there from.


(T.S. Dupare) 09/01/2013

CEO

Place: Bangalore

Date: 01/03/2012


(D. Ganesh) 9/1/13
CFO & CS

IndianOil Skytanking Limited
Delhi-Into Plane Services

Form F14 (b): Annual Tariff Proposal for Tariff Year t - 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-2013-14	Tariff per kilo litre (Rs 172.48 per KL)*		9,67,908.70	16,69,44,893
Total			9,67,908.70	16,69,44,893

* Approval requested for Tariff per KL i.e. Rs 172.48 per KL for 2013-14 in line with the user agreements

Tariff Heading	Conditions of Tariff	Applicable Discount/Surcharge	Estimated units	Estimated Revenues-Rs.
April to March				
Tariff -Aviation Fuel-2014-15	Tariff per kilo litre (Rs 181.10 per KL)**		9,87,266.88	17,87,94,031
Total			9,87,266.88	17,87,94,031

** Approval requested for Tariff per KL i.e. Rs 181.10 per KL for 2014-15 in line with the user agreements

Tariff Heading	Conditions of Tariff	Applicable Discount/Surcharge	Estimated units	Estimated Revenues-Rs.
April to March				
Tariff -Aviation Fuel-2015-16	Tariff per kilo litre (Rs 190.16 per KL)***		10,07,012.21	19,14,93,443
Total			10,07,012.21	19,14,93,443

*** Approval requested for Tariff per KL i.e. Rs 190.16 per KL for 2015-16 in line with the user agreements

(T.S. DUPARE) 09/10/13
 CEO
 IOCL

(D. GANESH) 9/1/13
 CEO RCS
 IOCL