



Shell MRPL Aviation Fuels and Services Limited

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Ref : SMA/AERA/MAFFFL

Dt : July 05, 2021

Director (P&S, Tariff)

Airports Economic Regulatory Authority of India (AERA)

AERA Administrative Complex,

Safdarjung Airports,

New Delhi – 110 003.

Email : gita.sahu@aera.gov.in and mravi.aera@govcontractor.in and

Copy to : director-ps@aera.gov.in and secretary@aera.gov.in

Dear Madam,

Sub : AERA Consultation paper No. 5/ 2021 -22 seeking comments in the matter of determination of Fuel Infrastructure Charges in respect of Mumbai Aviation Fuel Farm Facility Pvt Ltd. (MAFFFL) at Mumbai Airport for the control period of 01st April 2021 to 31st March 2026.

Ref : File No. AERA/20010/MYTP/MAFFFL/FF/CP-III/2021-26 dated 28th May 2021.

This has reference to the aforementioned subject under reference cited above, we would like to convey that the current arrangement is conducive to present suppliers only and not in line with what was envisioned in terms of an “Open Access Model” as mentioned in para 1.2. Not having the open access model restricts the choice of suppliers to the airlines and hampers the achievement of important overall structural goal of providing a level playing field which ensures a competitive landscape by driving allocative efficiency throughout the supply chain resulting in reduction of costs to the benefit of the airlines and ultimately to the customers.

In view of this, we request and submit that the determination of the Fuel Infrastructure Charges be deferred till such time the “Open Access Model” is implemented in true letter and spirit.

Amrinder 05/07/20212

A Joint venture between Shell Gas B. V. and Mangalore Refinery and Petrochemicals Limited

Registered Office : # 102, Prestige Sigma, Vittal Mallya Road, Bengaluru - 560 001, KARNATAKA

CIN : U51909KA2008PLC045558 Email : SMRPL-Admin@shellmrpl.com Former Name : Shell MRPL Aviation Fuels and Services Private Limited.



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Further on with respect to the Tariff calculation, we would like to draw your kind attention to the following :

1. Risk of rising exchange rates i.e. Rs. vs US\$ may be captured and sensitivity analysis on the capex to be considered.
2. Definition of the term "Major airport" needs more explanation.
3. Rather than linking the tariffs to just fuel uplift, passenger footfalls can be included as finally all the passenger are footing the bills.
4. The battery limits of the term "open access" needs to be defined for clarity.
5. The scenario of POL goods coming under GST can alter the working model. This needs to be captured and the definition of the "end user" needs to be clarified if GST gets implemented.
6. Impact on MAFFFL volumes if the proposed Navi Mumbai airport goes onstream to be captured.

In conclusion, we would like to reiterate and submit that the basic objective of driving cost effectiveness would be achieved only through an Open Access Model and the same should be a necessary condition before any proposal for tariff determination. This will be viewed as fair and non-discriminatory and safeguard all the stakeholders.

Thanking you with kind regards,

Yours faithfully,

for Shell MRPL Aviation Fuels & Services Limited.,


G Srinivas Rao

Head – Sales & Marketing