

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

Sub: Comments of AAI on Consultation Paper no. 16/2012-13 dated 23.08.2012 issued by AERA on Multi Year Tariff Proposal for Chennai Airport.

Madam,

Kindly refer to your D.O. letter no. AERA/20011/MYTP/AAI/Chennai/2011-12 dated 24.08.2012 addressed to Chairman, AAI seeking comments/views of AAI on the Consultation Paper no. 16/2012-13 dated 23.08.2012.

The Comments of AAI on the pertinent paras of Consultation paper are as follows:

- 1) **Para 4.7 Area** – The area of terminal building after modernisation/expansion may be revised as 194692 Sqm (Domestic- 91864 Sqm and International - 102828 Sqm) instead of 188550 Sqm (Domestic - 86950 Sqm and International – 101600 Sqm).
- 2) **Table 7 Traffic Growth Rates** – Comparison of projection by AAI in the MYTP, CAGR and average of the two: It is observed that traffic projection for ATM, PAX and Freight pertaining to International has been shown as Domestic and vice-versa.
- 3) **Tentative Decision No. 5.a. – Regarding Traffic Forecast** – In view of observation on Table 7 above, the growth rates indicated for ATM, PAX & Freight in tentative decision 5.a. may need to be amended.
- 4) **Table 15 Reworked ARR and Yield per pax for CIA** - The revenue from Cargo services (International freight) indicated for Tariff Year 2 (2012-13) onwards in the table is not as per average of AAI projected growth rates and CAGR. The comparison of growth rates for Freight (International) and year-wise Cargo revenue thereon as per the Consultation Paper and AAI is given below:

Growth rates projected for Freight (International) and Year-wise Revenue

	Tariff Yr. 2 (12-13)	Tariff Yr. 3 (13-14)	Tariff Yr. 4 (14-15)	Tariff Yr. 5 (15-16)
Avg. of AAI projected growth rates & CAGR as per AAI	10.48%	10.48%	10.48%	10.48%

Avg. of AAI projected growth rates & CAGR as per C.P.	13.65 %	13.65 %	13.65 %	13.65 %
Cargo Revenue as per Avg. of AAI & CAGR growth rates i.e. 10.48% (Rs. in crores)	182.98	202.15	223.33	246.74
Cargo Revenue as per C.P. (Rs. in crs)	190.17	202.78	232.50	257.07

Since, the projected Cargo Revenue for 12-13 onwards indicated in C.P. may need revision, the tax component of Aggregate Revenue Requirement (ARR) and ARR itself as indicated in Table 15 may also need to be amended.

5) Annual Tariff Proposal (ATP) [Annexure-IV of Consultation paper]

The Housing & Parking Charges pertaining to ATP for FY 2014-15 has been revised by AAI on account of rounding off of charges after effecting 6% annual escalation in rates. Similarly, Landing Charges (Other than Intl. flights), Housing & Parking Charges pertaining to ATP for FY 2015-16 have also been revised on account of rounding off of charges after effecting 6% annual escalation in rates. The amended ATP tables for FY 2014-15 & FY 2015-16 are enclosed at Annexure-A. It is requested that amended ATP for FY 2014-15 & 2015-16 may please be incorporated in final Tariff order for Chennai Airport.

Yours faithfully,



(M. Ravi Varma)
General Manager (Finance)

Encl.: As above.

ANNUAL TARIFF PROPOSAL FOR FY 2014-15

HOUSING AND PARKING CHARGES

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Housing Charges per hour	Parking Charges per hour	
Upto 100 MT	16 60 per hour per MT	8.50 per hour per MT	6% increase
Above 100 MT	1660 00 + 22 30 per MT in excess of 100 MT	850 00 + 11 10 per MT in excess of 100 MT	

ANNUAL TARIFF PROPOSAL FOR FY 2015-16

(a) **LANDING CHARGES**

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Rate per landing International Flight	Rate per Landing Other than International Flight	
Upto 100 MT	650 40 per MT	331 30 per MT	6% increase
Above 100 MT	65040 00 + 874 00 per MT in excess of 100 MT	33130 00 + 445 10 per MT in excess of 100 MT	

(b) **HOUSING AND PARKING CHARGES**

Weight of Aircraft	PROPOSED RATES (IN INR)		REMARKS
	Housing Charges per hour	Parking Charges per hour	
Upto 100 MT	17 60 per hour per MT	9 00 per hour per MT	6% increase
Above 100 MT	1760 00 + 23 60 per MT in excess of 100 MT	900 00 + 11 80 per MT in excess of 100 MT	