



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार उपक्रम) रजिस्टर्ड ऑफिस : 17, जमशेदजी टाटा रोड, मुंबई - 400 020.

HINDUSTAN PETROLEUM CORPORATION LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE) REGISTERED OFFICE : 17, JAMSHEDJI TATA ROAD, MUMBAI - 400 020.

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AVN:AERA:HQO

January 24, 2012

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

On leave
DGM
Mr. (D.K.)
Reddy
30/1

Kind Attn : Capt. Kapil Chaudhary

Sub: **Determination of Aeronautical Tariff in respect of IGI Airport, New Delhi for the 1st Regulatory Period (01.04.2009 – 31.03.2014)**

Dear Sir,

This has reference to the Consultation Paper No.32/2011-12 Dated 03rd January, 2012 on the above referred subject. As desired please find below the comments/views in respect of para 467 (xxxi) of the said Consultation Paper:

1. The Authority has proposed to accept increase in FTC w.e.f. 01.04.2011, an increase of 7% over the adhoc fuel throughput charges of Rs. 561.75 per KL on the basis of their contractual arrangements. It is not clear whether the increase is an one time basis for the remaining period of 1st Regulatory Period (ie. 01.04.2011 – 31.03.2014) or on annual basis. We would like to mention here that as per the arrangement with the Suppliers at IGI Airport, there is a provision for minimum escalation of 5% per annum over previous year and escalation in excess of 5% to be linked to Whole Sale Price Index (WPI) with a cap of 7.0%. The above escalation factor is applicable for next 15 Yrs wef 2009-10.
2. As FTC applicable at the Airport are a pass through item for the Suppliers, i.e. the FTC is recovered from the Customers and passed on to the Airport Operator; it would be difficult for us to recover FTC from the customers in the event they are made applicable on retrospective basis, as is the case in above instance, where it is being proposed from 01/04/2011. In view of above, it is requested that any revision in FTC should be made from the prospective date. Till that period existing adhoc rate should only be made applicable.

Thanking you,

Very truly yours,

R Radhakrishnan
GM Aviation & Head SBU



HP Aviation