



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

August 27, 2012

Capt. Kapil Chaudhary
Secretary,
Airports Economic Regulatory Authority of India
AERA Building,
Administrative Complex,
Sudjurg Airport, New Delhi- 100 003

21064/सि/12
30/8/12

DGM (CR) [Signature]
[Signature]
[Signature]
30/8

Subject: Annual Tariff Proposal Submitted by IOSL for providing Into Plane Services (ITP) at Bangalore International Airport, Bangalore.

Dear Madam,

We thank you for your DO letter no AERA/20010/MYTP-IOSL/ITP/BIAL/2011-12 dated 14th August, 2012 on the subject and seeking our comments on the proposal contained in para no 4 of the Consultation Paper 15/2012-13 dated 13th August, 2012.

We have perused above Consultation Paper and the proposal contained in your above mentioned DO letter. Our comments are as under :

- i) ITP charges for various fueling/defueling services for the period 01.04.2012 to 31.05.2012 have been maintained at same levels as the rates existing as on 31.03.2012, which were approved by AERA vide order no. 19/2011-12 dated 25th October, 2011.
- ii) The ITP charges for the period 01.06.2012 to 31.03.2013 have been arrived at after escalating the charges for earlier period as mentioned at(i) above , by 5%. However since the approval of escalation charges w.e.f 01.06.2012 was not available at that time, we had not considered the escalated rates for recovery.
- iii) In case the approval for escalation rate is granted on retrospective basis w.e.f 01.06.2012, the fuel suppliers shall be liable to pay to the service provider on retrospective basis, whereas the recoveries from customers on this account can be effected only from prospective dates. Therefore such amounts shall remain unrecovered by fuel suppliers and shall be a financial loss to them.

Vide our various communications, which include our meeting in your office on 08.05.2012 presided by Chairman, AERA and subsequent joint industry letter dated 22.05.2012 (copy enclosed for ready reference), we have requested AERA that while approving tariffs/rates for various services related to fuel, revision if any, may please be made from prospective date.



HP Aviation

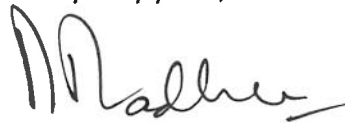
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In view of the above, it is suggested that AERA may approve the tariffs, as proposed under clause 4 of the Consultation Paper 15/2012-13 as under:

- a) ITP rate as mentioned for the period 01.06.2012 to 31.03.2013, may be approved on prospective basis, applicable from first day of the subsequent month, in which AERA issues the order.
- b) ITP rates as proposed for the period 01.04.2012 to 31.05.2012, shall be retained till last day of the month in which final order is issued by AERA.

Thanking you,

Very truly yours,



R Radhakrishnan
GM Aviation & Head SBU

IndianOil Corpn. Ltd. G-9 IndianOil Bhawan Ali Yavar Jung Marg, Bandra (East), Mumbai – 400 051	Bharat Petroleum Corpn. Ltd. A 5 & 6, Sector 1 Noida 201301	Hindustan Petroleum Corpn. Ltd. Hindustan Bhawan – Gr. Floor 8 Shoorji Vallabhdas Marg Ballard Estate, Mumbai – 400 001
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AV.HO.AERA

22nd May, 2012

Capt. Kapil Chaudhary,
 Secretary,
 Airport Economic Regulatory Authority of India
 AERA Building, Admin. Complex,
 Safdarjung Airport, New Delhi- 110 003

Madam,

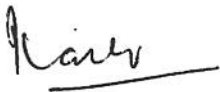
Sub : ORDER NO.3/2012-13-AERONAUTICAL TARIFF IN RESPECT OF IGI DELHI AIRPORT
FOR 1st CONTROL PERIOD

1. Reference may kindly be made to the discussions held during the meeting with Oil PSUs on 8th May 2012 at AERA office, which was presided by Chairman, AERA. Oil PSUs had submitted to the Authority the impact on Oil PSUs of the retrospective applicability of Fuel Throughput Charges (FTC) at Delhi airport, as per the subject order.
2. During the discussions, it was also submitted that all the three marketing Oil PSUs - IOCL, BPCL and HPCL, in their response to Consultation Paper No.32 with respect to determination of aeronautical tariff of IGI Delhi Airport for 1st control period, had requested the Authority to approve the proposed increase in FTC on prospective basis so that the same can be collected from the Airlines from the date of the order, prospectively. The reason for this submission, as was clarified during the meeting, is that the FTC is a pass through item for the Oil companies, who have been collecting the FTC from the Airlines only at the rate approved by the Authority on ad hoc basis, as per Authority's Order No. 7/2010-11 dated 4th November 2010 up to April 2012.
3. It was further stated that Oil PSUs do not agree with DIAL's view point, that "*Fuel Throughput Fee is a profit sharing mechanism between DIAL and Oil Suppliers*" (Clause 21.6.16 of the subject Order). This is a misleading statement made by DIAL, which unfortunately appears to have been accepted by the Authority, while issuing the subject order. We reiterate that the FTC collected from Airlines by Oil PSUs is directly passed on to Airport Operators and there is no such profit sharing mechanism between Oil PSUs and DIAL or any other airport operator.
4. We also confirm that we have been collecting FTC at all regulated airports only as per the rates approved by the Authority vide its order no. 7/2010-11 dated 4th November, 2010. In the instant case, at IGI Delhi Airport, Oil PSUs have collected FTC at the rate of Rs.561.75 per K.L w.e.f 1.04.2010 in line with Order No. 7/2010-11 dated 4th November 2010 and the same has been paid to DIAL. As per Order No. 3/2012-13 we shall now have to pay at the rate of Rs. 601.07/K.L and Rs.643.15/K.L w.e.f 01.04.11 and 01.04.12 respectively, whereas collection of FTC from the Airlines has been made at the rate of Rs.561.75 per K.L upto April 2012.
5. As Oil PSUs' contracts with the airlines are valid only up to certain period, it is difficult to recover these charges w.e.f April 2011 at this stage, and there will be corresponding under recovery, if Oil PSUs are forced to pay on retrospective basis.

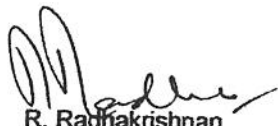


6. In view of the above stated facts, we request the Authority to kindly issue necessary amendment of Order No. 3/2012-13 to make the FTC effective on prospective basis. As, suggested by Chairman AERA during the discussions on 8th May, 2012, the option of adjusting the FTC quantum for the past period in some different aeronautical charge may be considered.
7. We would also like to request the Authority, that while proposing approvals in future for FTC and other tariffs related to fueling at other airports, the same may also kindly be considered on prospective basis

Thanking you and assuring you of co-operation at all times.


for R. Sareen
ED - Aviation
IndianOil Corp. Ltd.


S. Bhattacharya
ED - Aviation
Bharat Petroleum Corp.Ltd.


R. Radhakrishnan
GM - Aviation
Hindustan Petroleum Corp.Ltd.