



हिन्दुस्तान पेट्रोलियम कॉर्पोरेशन लिमिटेड

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

HINDUSTAN PETROLEUM CORPORATION LIMITED

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AVN:AERA:HQO

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

25th September, 2012

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

Dear Madam,

We thank you for your DO letter no AERA/20010/MYTP-BSSPL/ITP/BIAL/2011-12 dated 12th September, 2012 addressed to Shri R Radhakrishnan GM & Head SBU(Aviation) on the subject and seeking our comments on the proposal contained in para no 4 of the Consultation Paper 18/2012-13 dated 1st September, 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 01.04.2011 to 31.05.2012 are proposed in line with the existing rates of IOSL as on 31.03.2012, which were approved by AERA vide order no. 19/2011-12 dated 25th October, 2011. Hence we could make it effective 1st November 2011 and no recovery was possible for the period June 2011 to October 2011 in the absence of AERA order.

In view of this we request to revise the ITP charges for the year 2011-12 effective 1st November 2011 to avoid further financial loss to us due to non-recovery from the customers.

- ii) The ITP charges for the period 01.06.2012 to 31.03.2013 are in line with the proposed rates of IOSL for the same period (for which authority has issued Consultation Paper No. 15/2012-13) and 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 is not available, we have not considered the escalated rates for recovery as yet.



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- 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), our response dated 27.08.2102 to CP 15/2012-13, 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**.

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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 18/2012-13 as under:

- a) ITP rates as proposed for the period 01.04.2011 to 31.05.2012 to be made effective 1st November 2011.
- b) 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.

Thanking you,

Very truly yours,


R K Rai
Chief Manager – Aviation