

IndianOil Skytanking

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OSD-TI
1/4/13

AV/TSD/BIAL - FF
25th March 2013

**THE SECRETARY,
AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA,
AERA Building, Administrative Complex,
Safdarjung Airport, NEW DELHI – 110 003.**

Kind Attn: Capt. Kapil Chaudhary

"Without Prejudice"

Dear Madam,

Subject: Multi Year Tariff Proposal and Annual Tariff proposal submitted by IndianOil Skytanking Limited for Fuel Farm Services at Bangalore International Airport, Bengaluru : Consultation Paper No 46/ 2012-13

Reference may please be made to your DO letter under reference No. AERA/20010/MYTP-IOSL/FF/BIAL/2011-12 dated 19th March 2013 on the subject requesting us to submit comments, views etc in respect of the Consultation Paper No. 46/2012-13.

We would like to thank the Hon'ble authority for consideration of our proposal.

In the Consultation Paper No 46 referred above, the Hon'ble Authority has referred one of the components of "Fuel Throughput Fee" of Rs 433 / KL as representing "Operating Cost and Reserve Fund", under Para 6, Para 9 (vii) & (ix) and Para 10 (ii) & (v). The same may please be corrected and understood as, "Facility Payments, Operating Cost & Fees and Reserve Fund".

Further the following points may please be noted in respect of the proposal:

1. We have undertaken the following Capital Projects, at Bangalore Airport:
 - I. Expansion of Fuel Hydrant System on the West Side.
 - II. Expansion of Fuel Hydrant System on the East Side.
 - III. Construction of additional Storage Tank and allied facilities.
2. As per the Service Provider Right Holder (SPRH) Agreement, the Operating Cost and the margins were fixed for the initial five years and for subsequent period the same shall be subject to the approval of BIAL.

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The Projects mentioned at point no.1 above necessitated substantial investments and the Operating Cost shall undergo upward revisions for operating the above assets and also in line with the current level of inflations.

The above shall necessarily warrant the enhancement of the current Fuel Throughput Fees of Rs 1500 per KL for Fuel Farm Services at Bangalore International Airport. Once BIAL approves the same, in line with our SPRH Agreement, we shall approach the Hon'ble Authority with documentary evidence for enhancement of the Throughput Fees.

The Hon'ble Authority may kindly consider the above.

Thanking you,

Yours truly,
For Indian Oil Skytanking Limited,


(T.S. Dupare) 25/03/2013
Chief Executive Officer

CC: Mr Girish Nair, Asst. Vice President, Airline Marketing and Aviation Contracts,
Bangalore International Airport Limited, Bangalore.