फा. सं. ऐरा /20010/एमवाईटीपी/बीपीसीएल/एफएफ -आईटीपी/मोपा-गोवा/सीपी-I/2022-23

F. No. AERA/20010/MYTP/BPCL/FF-ITP/MOPA-GOA/CP-I/2022-23

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण/

Airports Economic Regulatory Authority of India

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आदेश संख्या 29/2022-23/

Order No. 29/2022-23

ऐरा भवन/AERA Building
प्रशासनिक कॉम्पलेक्स/Administrative Complex
सफदरजंग हवाईअड्डा/Safdarjung Airport
नई दिल्ली/New Delhi – 110003

जारी करने की तारीख: 30 नवम्बर, 2022/Date of Issue: 30th November, 2022

सेवा/Service	**: फ्युल फार्म एवं इंटो प्लेन सेवाएं/Fuel Farm and Into Plane Services**
सेवा प्रदाता/Service provider	**: भारत पैट्रोलियम कॉरपोरेशन लिमिटेड (बीपीसीएल)/ Bharat Petroleum Corporation Limited (BPCL)**
हवाईअड्डा/Airport	**: गोवा अंतरराष्ट्रीय हवाईअड्डा, मोपा, गोवा/ Goa International Airport, MOPA Goa.**
हवाईअड्डा प्रचालक/ Airport Operator	**: गोवा इंटरनेशनल एयरपोर्ट लिमिटेड/ Goa International Airport Limited. (GIAL)**

भारत पैट्रोलियम कॉरपोरेशन लिमिटेड (बीपीसीएल) द्वारा गोवा अंतरराट्रीय हवाईअड्डा, मोपा, गोवा में प्रदान की जाने वाली फ्युल फार्म एवं इंटो प्लेन सेवाओं के लिए वाणिज्यक प्रचालन की तारीख (सीओडी) से 30.09.2023 तक के लिए तदर्थ टैरिफ निर्धारित करने के मामले में/

In the matter of Determination of Ad-hoc Tariff for Fuel Farm and Into Plane Services to be provided by Bharat Petroleum Corporation Limited (BPCL) at Goa International Airport, MOPA, Goa, w.e.f. from Commercial Operations Date (COD) up to 30.09.2023.

BPCL Submission:

1. Goa International Airport Limited (GIAL) was awarded a concession by Government of Goa for development of a Greenfield International Airport at Mopa, Goa on Design, Build, Finance, Operate and Transfer (DBFOT) basis for a period of 40 years.

2. Pursuant to the terms of the concession (main concession referred above), GIAL has sub-licensed the designing, building, financing, operation, maintenance and transfer of Fuel Farm facilities, including Fuel Hydrant System and Into Plane Facilities & Services, at the Mopa, Goa Airport to Bharat Petroleum Corporation Limited for an initial period of 20 years.

3. BPCL, vide letter no. nil dated 6th October, 2022 submitted the proposal for determination of Tariff for Fuel Farm (FF) and Into Plane (ITP) Services at Mopa, Goa Airport for the period effective from 1st November 2022 to 31st March 2027 under 'Light Touch Approach'.

4. BPCL, vide above referred letter, further submitted that the Fuel Farm is set up to function under "**Open Access**" model for use by all eligible Oil Marketing Companies. The fuel will be supplied to Aircrafts through Hydrant System as well as Refuellers. Operations and Maintenance of Fuel Farm and Into Plane Facilities will be carried out by BPCL.

5. As part of its MYTP proposal, BPCL submitted the followings:

(i) With regard to AERA's Guidelines, ISP submitted that FF and ITP Services proposed to be rendered at Mopa Goa are not material and hence Light Touch Approach may be considered by the Authority.

(ii) BPCL facilities shall be an integral part of the MOPA Airport Infrastructure and would be catering exclusively to the ATF demand at the airport. BPCL is in the process of developing fuel farm infrastructure, which will cater to the capacity of 7500 KL. BPCL would be allowed to extend the infrastructure facility to meet the additional demand in the subsequent phase of the project upon achievement of thresholds as specified in the Concession Agreement.

(iii) ISP has proposed a CAPEX of Rs. 88.28 crores in the initial year (FY 2022-23) itself. BPCL further submitted that 18.97% of the total Capex is proposed towards constructing and assembling the Fuel Hydrant System. This System will be constructed by GIAL at cost of Rs. 16.75 crores. As per the Concession Agreement, BPCL would pay Rs. 16.75 crores to Airport Operator and takeover these Assets (Fuel Hydrant System).
The remaining Capex is proposed to be spent on Refuellers, Dispensers, Vehicles, Pipelines, Administrative and other Service building along with Service Roads, Boundary Walls etc.

(iv) The Fuel throughput estimated by BPCL at Goa International Airport, Mopa, Goa is as under:

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Fuel Throughput (In KL)	31,167	92,552	1,12,443	1,31,377	1,49,618

(v) Revenue Share: As per the license agreement, the amount of revenue share payable to Airport Operator will be 15% of its Gross Revenue from Fuel Farm Operations and 5% of the Gross Revenue from ITP Facilities and Services.

(vi) The Tariff proposed by the BPCL in its MYTP for the First Control Period is given below:

Period	Consolidated Rate per KL	Fuel Farm Rate per KL	ITP Rate per KL
FY 23 to FY 27	Rs. 3556	Rs. 2660	Rs. 896

Authority's Examination on the request of BPCL:

6. The Authority notes Airport Operator's submission that BPCL has been awarded concession to design, build, finance, operate, maintain and transfer of fuel farm facilities and Into Plane facilities and services by GIAL through bidding process at Mopa Airport, Goa for a period of 20 years. In accordance with award of concession to BPCL, the ISP is in process of developing fuel farm infrastructure, which will cater to the capacity of 7500 KL at an estimated CAPEX of Rs. 88.28 crores.

7. The Authority further notes that the fuel farm is set up to function under 'Open Access' model for use by all eligible Oil Marketing Companies (OMCs) and fuel will be supplied to aircrafts through Hydrant System as well as by refuellers.

8. The Authority has sought status of the CAPEX incurred till Oct 2022. In response thereto, BPCL vide email dated 28.10.2022 has submitted that out of the total capex proposed for FY 2022-23, 50% capex has been completed. The Authority, from the information submitted by the ISP, observes that Work Orders for around 15% proposed Capex are yet to be awarded by BPCL.

9. The Authority, considering that only 50% of the proposed CAPEX has been incurred till Oct 2022, sought the timelines for the commencement of Fuel Farms and ITP Services. In response, BPCL submitted that 1st Phase of the Fuel Farm and ITP facilities is expected to be commissioned by 5th December, 2022 and the entire project will be commissioned by March 2023.

   The Authority, will examine in detail the capacity created for Fuel Farm & ITP facilities and CAPEX thereon vis-à-vis projected aircraft traffic, at the time of determination of regular tariff for Fuel Farm and ITP Services for BPCL at Goa International Airport, Mopa, Goa.

10. The Authority, advises BPCL to hold a stakeholders' consultation meeting on its MYTP/ ATP pertaining to Mopa, Goa airport at the earliest for compliance of AERA's Cargo, Ground Handling and Supply of Fuel to the Aircraft (CGF) Guidelines, 2011.

11. The Authority sought the status of regulatory and statutory approvals for the proposed Fuel Farm and Into Plane (ITP) Services. In response, BPCL has submitted that they have already applied for the necessary approvals of DGCA and BCAS for their proposed operations at Goa International Airport, Mopa, Goa airport and same are under process with respective statutory authorities.

12. The Authority is conscious of the fact that greenfield airport at Mopa, Goa would be competing with nearby other operational airport at Dabolim, Goa for aircraft & passenger traffic, the Authority feels that the realistic level of aircraft traffic and fuel throughput volumes that Mopa Goa airport would be catering to, initially, will be known only sometime after the commencement of Commercial Operations. Accordingly, the detailed analysis of Aircraft Traffic & Fuel Throughput Volume considered by the ISP, along with other regulatory building blocks, will be undertaken at the time of regular Tariff Determination for the entire Control Period in a realistic and holistic manner.

13. BPCL has proposed the following rates for FIC and ITP Services, on ad-hoc basis, vide its email dated 22.11.2022:

Fuel Infrastructure	Aircraft Refuelling	Aircraft Defueling		Aircraft Refuelling of Defueled product	
		(Within 6 hrs)	(Beyond 6 hrs)	(Within 6 hrs)	(Beyond 6 hrs)
₹ 2660 per KL	₹ 896 per KL	₹ 896 per KL	₹ 996 per KL	₹ 946 per KL	₹ 996 per KL

14. The Authority, considering that FF & ITP Infrastructure & Facilities are yet to be fully installed / commissioned and entire project as per the ISP is expected to be complete only by March, 2023, feels that Ad-hoc Tariff rate of ₹ 3556/KL (consolidated rate) proposed by the BPCL for Fuel Farm and Into-Plane (ITP) is on higher side. The Authority is conscious of the fact that ISP has already incurred sizeable Capex on the development of greenfield facilities for FF & ITP Services at Mopa, Goa airport. Further, as per the ISP's submission the remaining CAPEX related to FF & ITP facilities at Mopa airport, Goa and entire project will be fully operational by the March, 2023.

15. In view of above and considering the BPCL's proposed commercial operations at Mopa, Goa airport shortly; the Authority, as an interim measure, decides to allow the ISP to charge Ad-hoc Tariff for their proposed services at Mopa airport, Goa (**as per Annexure-I) w.e.f. COD till 30.09.2023**, or, till the determination of regular Tariff for Fuel Farm and Into Plane (ITP) Services at Goa International Airport, Mopa, Goa, whichever is earlier.

16. Further, in case, the Authority based on regulatory guidelines decides to determine regular Tariff for the First Control Period in respect of BPCL under "Cost Plus Method", then the Revenue collected by the ISP, on ad-hoc basis in the interim period as per this Order, shall also be accounted for by the Authority for determination of regular Tariff for Fuel Farm facilities and ITP Services for the First Control Period.

ORDER

Upon careful consideration of the material available on records, the Authority, in the exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

(i) Bharat Petroleum Corporation Limited (BPCL) is allowed to levy and collect the Tariff for Fuel Farm and Into Plane (ITP) Services, on an Ad-hoc basis (as per **Annexure-I**) w.e.f. **Commercial Operations Date (COD) up to 30.09.2023**, or, till the determination of regular Tariff for Fuel Farm & ITP Services for the First Control Period, whichever is earlier.

(ii) This order shall be effective subject to receipt of all requisite regulatory and statutory approvals by BPCL, before the commencement of their proposed Fuel Farm and Into Plane (ITP) services, at Goa International Airport, Mopa, Goa.

(iii) Tariff determined, hereinunder, is the maximum charges to be levied to Users and no other charge(s) are to be levied over and above the approved Tariff.

(iv) The Tariff approved, as above, is excluding of all applicable Govt. taxes, if any.

(v) The ISP shall maintain separate accounts for its Fuel Farm & ITP Operations at Mopa Airport, Goa and submit Annual Compliance Statement (ACS) for accounting year (ending on 31st March).

By the Order of and in the Name of the Authority

(Col Manu Sooden)
Secretary

To

Shri Sujit Kumar,
Marketing Manager (Aviation) HQ,
BPCL, Aviation Business Unit,
'A' Installation, Sewree Fort Road,
Sewree (East), Mumbai – 400 015.

Copy for information to:

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, 'B Block', Safdarjung Airport New Delhi-110003.

2. Shri K. N. Rao, Director, Goa International Airport Limited, Corporate Office, New Udaan Bhawan, Opp. Terminal 3, Indira Gandhi International Airport, New Delhi – 110037.

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AERA

Annexure-I

Approved Ad-hoc Tariff Rates for Integrated Fuel Farm and Into Plane (ITP) Services to be provided by M/s Bharat Petroleum Corporation Limited at Goa International Airport, Mopa, Goa.

Ad-hoc Tariff is applicable w.e.f. the date of COD up to 30.09.2023

(Amount in ₹/ KL)

Fuel Infrastructure	Aircraft Refuelling	Aircraft Defueling		Aircraft Refuelling of Defueled product	
		(Within 6 hrs)	(Beyond 6 hrs)	(Within 6 hrs)	(Beyond 6 hrs)
700	400	400	500	450	500

NOTE: The rates approved hereinabove are ceiling rates, excluding of all applicable Govt. taxes, if any.

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AERA