

# Visakhapatnam Port Trust

## Scale of Rates

### Gazette No. 513 Dated 18.12.2018

#### REFERENCE TARIFF SCHEDULE FOR THE BULK LIQUID RAILWAY LOADING FACILITY AT THE LIQUID RAILWAY SIDING AT VISAKHAPATNAM PORT TRUST

#### 1. DEFINITIONS

In this Scale of Rates (SOR) unless the context otherwise requires, the following definitions shall apply:

- (i). **Cargo loading** means providing pipe line connectivity and liquid gantry at the railway siding for pumping cargo by the users. Cargo loading does not constitute storage. Users have to make their own arrangement for storage of cargo. The cargo is to be pumped to the pipeline by the users.
- (ii). **Rake** means a railway rake consisting of about 59 tank wagons each with a capacity to carry about 55.28 tonnes.
- (iii). **Tariff** specified in this SoR refers only for the service of providing the pipeline and the loading facility by the liquid gantry. It does not include the siding and haulage charges.

#### 2. Charges for bulk liquid loading at the railway siding

<b>Charges for bulk liquid loading at the railway siding facility</b>	<b>₹42.04 per tonne</b>
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The tariff prescribed above is subject to review in case the actual number of rakes handled by the operator goes beyond 175 rakes for two consecutive years during the project period. The review of tariff will be only to the extent of review of the optimal capacity beyond 175 rakes. When the tariff is to be reviewed, the estimated ARR shall be at the level considered in approved Order subject to review only of the staff cost on contract basis, which is linked to the optimal capacity.

#### Notes:

- (i). Time taken for handling a rake for the purpose of evaluation of Performance Standards is "Time taken from positioning of the rake at the terminal, loading of cargo into wagons and making the rake ready for drawing out"
- (ii). "Tonne" means a quantity of 1,000 Kgs., or part thereof
- (iii). The services offered at the terminal include (a) providing connectivity to the pipeline of the terminal to the pipeline of users (b) providing loading connectivity of the gantry to each tank wagon (c) Disconnecting the pipeline of the terminal to the pipeline of users.
- (iv). In the event of failure by the operator to load the cargo within the period specified in the performance standard for reasons attributable to the terminal operator, the consequent demurrage incurred by the user (if any) is to be compensated by the terminal operator to the users.

#### 3. GENERAL NOTES :

- (i). The tariff caps will be indexed to inflation but only to an extent of 60% of the variation in Wholesale Price Index (WPI) occurring between 1 January 2018 and 1 January of the relevant year. Such automatic adjustment of tariff caps will be made every year and the adjusted tariff caps will come into force from 1 April of the relevant year to 31 March of the following year.

- (ii). From the date of Commercial Operation (CoD) till 31st March of the same financial year, the tariff would be limited to the indexed Reference Tariff relevant to that year, which would be the ceiling. The aforesaid Reference Tariff shall be automatically revised every year based on an indexation as provided in para 2.2 of the tariff guidelines of 2013 which will be applicable for the entire license period.

However, the Licensee would be free to propose a tariff along with Performance Standards (the "Performance Linked Tariff") from the second year of operation onwards, over and above the indexed Reference Tariff for the relevant financial year, at least 90 days before the 1st April of the ensuing financial year. Such Performance Linked Tariff shall not be higher than 15% over and above the indexed Reference Tariff for that relevant financial year (and this will be the Tariff Cap). The Performance Linked Tariff would come into force from the first day of the following financial year and would be applicable for the entire financial year.

- (iii). The proposal shall be submitted to TAMP along with a certificate from the independent engineer appointed under the Concession Agreement of the Project indicating the achievement of Performance Standard in the previous 12 months as incorporated in the License Agreement or for the actual number of months of operation in the first year of operation, as the case may be.
- (iv). On receipt of the proposal, TAMP will seek the views of the Major Port Trust on the achievement of Performance Standard as outlined in para 5 of the tariff guidelines of 2013, within 7 days of receipt.
- (v). In the event of Licensee not achieving the Performance Standard as incorporated in the License Agreement in previous 12 months, TAMP will not consider the proposal for notifying the Performance Linked Tariff for the ensuing financial year and the Licensee shall be entitled to only the indexed Reference Tariff applicable for the ensuing financial year.
- (vi). After considering the views of the Major Port Trust, if TAMP is satisfied that the Performance Standard as incorporated in the Concession Agreement has been achieved, it shall notify the performance linked tariff by 15th of March to be effective from 1st of April of the ensuing financial year.
- (vii). While considering the proposal for Performance Linked Tariff, TAMP will look into the Performance Standard and its adherence by the Licensee. TAMP will decide on the acceptance or rejection of the Performance Linked Tariff proposal based on the achievement or otherwise of the Performance Standard by the Licensee. Determination of indexed Reference Tariff and Performance Linked Tariff will follow the illustration shown in the Appendix attached to the tariff guidelines of 2013.
- (viii). From the third year of operation, the Performance Linked Tariff proposal from the Licensee shall be automatically notified by TAMP subject to the achievement of Performance Standard in the previous 12 months period as certified by the Independent Engineer. The Licensee, for the Performance Linked Tariff from the third year onwards, will submit the Performance Linked Tariff proposal along with the achievement certificate from the independent engineer by 1st March and TAMP shall notify by 20th March, the Performance Linked Tariff to be effective from the ensuing financial year.

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