

## GROUNDS OF MOTION FOR REVIEW

At the outset the Petitioner would like to express its gratitude and thank the learned Authority for its decision/determination in respect of tariff petition dated 02.12.2015 for its 118.8 MW cogen power plant located at Mehmood Kot, District Muzaffargarh (hereinafter “**Tariff Petition**”). The Authority has submitted the Impugned Decision to the Federal Government for publication in official gazette.

Feeling aggrieved with the aforesaid determination, the Petitioner hereby seeks to file a Review Petition invoking Rule 16(6) of NEPRA Tariff (Standard and Procedures) Rules 1998 read with other enabling provisions. The Petitioner looks forward to receive the same facilitative approach from the learned Authority in respect of the Motion for Leave for Review.

### **A. General:**

1. The contents of, *inter alia*, the Tariff Petition and Impugned Determination may kindly be read as integral part of this Motion for Review.
2. Through its Impugned Decision, NEPRA has declined the request made in Tariff Petition specifically seeking ‘take or pay basis’ and, *inter alia*, observed that:

*“The Authority having considered the argument put forward by the Petitioner in support of two part tariff observed that under Section 7 of the NEPRA Act, the determination of tariff and the terms and conditions thereof is a core function of NEPRA which cannot be delegated to anybody else. Further, the guidelines of Federal Government are applicable only when they are not inconsistent with the provisions of the NEPRA Act. As per the NEPRA Act, it is the obligation of NEPRA to ensure provision of affordable and economical electric power to the consumers. Therefore, if the policy or guidelines of the Federal Government are such which contradict with the functions of NEPRA, then the same are not binding on NEPRA”*

*(Paragraph-46 of the Impugned Determination)*

*“In the same context the Authority considers that two part tariff bound the power purchaser in a take or pay contract which is inefficient and against the spirit of competition. The Authority considers that it will be against the spirit of the provisions of NEPRA, which require to bring not only efficiency in the power sector but also to protect the interest of the consumers. Allowing the projects long-term take or pay arrangement having very low efficiency cannot be justified and will be an imprudent decision. The Petitioner's decision for setting up a plant of low efficiencies is Petitioner's commercial decision for which consumers should not be suffered. Therefore, the Petitioner request of take or pay tariff is rejected and the Petitioner is allowed a take and pay arrangement*

*for dispatch. For this purpose, economic dispatch merit order will be used considering the energy component only.”*

*(Paragraph 47 of the Impugned Determination)*

3. In addition to the aforesaid, the Petitioner is also aggrieved with certain other part of the Impugned Decision and adjudications made in respect of project costs and project parameters, some of which are also highlighted and raised herein below while other grounds, if any, shall be further supplemented for the consideration of the Authority during the pendency of this Review Petition, from time to time.
4. The Petitioner also feels aggrieved because of the inordinate and unreasonable delay in the NEPRA determination and adjudication process. Given the circumstances, the Petitioner specifically mentioned and requested the learned Authority for earlier adjudication and determination of its tariff. It is respectfully submitted that the learned Authority may kindly take up this subject Review Petition and determine the matter at its earliest convenience in order to enable the Project Company/Petitioner to proceed with the completion and commercial operations of the Project.

**B. Grounds**

1. The Impugned Determination is in contradiction with NEPRA laws, precedence and policy and is therefore liable to be modified appropriately.
2. The Impugned Decision is against the principles of legitimate expectations, promissory estoppel, principle of uniformity and fair treatment. More specifically the Petitioner would like to highlight the following:
  - a) The Impugned Decision has introduced regulatory uncertainty in the market where NEPRA has deviated and refused to give due deference to federal government policy and have resorted to cherry picking in a manner detrimental to prospective investors of private power generation projects.
  - b) The Impugned Determination undermines the government of Pakistan's 'National Policy For Power Co-Generation By Sugar Industry' (the "**2008 Cogen Policy**"), which aims to attract private investment in power generation and offers a set of fiscal and financial incentives for the prospective investors. The 2008 Cogen Policy, *inter alia*, was announced pursuant to decision of the Economic Coordination Committee of the Cabinet (the ECC) in Case No. ECC-169/13/2007 dated November 13, 2007. The Petitioner, through its subsequent submissions and the hearing (to be granted to the Petitioner) will specifically highlight the consequential negative effect of NEPRA's blatant disregard of the aforesaid Federal Government's 2008 Cogen Policy, which has given a wrong signal in the market and will seriously discourage future investment in the Pakistan

power generation. Unless the Impugned Decision is appropriately modified, it is feared that it will defeat the investor's confidence in Pakistan and regulatory framework of NEPRA.

- c) The Impugned Determination is in direct conflict with NEPRA's previous and recent determinations, which needless to add here, too were determined in exercise of its powers in pursuance of Section 7 read with Section 31, NEPRA Tariff Rules and other provisions of NEPRA laws. The Impugned Decision is against the NEPRA determination issued for projects under 2008 Cogen Policy.
- d) NEPRA in its determination has referred to Sub Clause 6 of Article 7 while disallowing the Take or Pay mode to FEL on account of customer protection. The Article states as under:

*"In performing its functions under this Act, the Authority shall, as far as practicable, protect the interests of consumers and companies providing electric power services in accordance with guidelines, not inconsistent with the provisions of this Act, laid down by the Federal Government"*

Petitioner is of the view that NEPRA decision to allow "Take and Pay" to FEL is against the provisions of the aforesaid Article, which also mandates NEPRA to protect the interest of companies providing electric power services. It is prudent to mention that in IPP mode CPPA (G) is the only customer and leverage to sell excess power to other potential customers is not available. In this case capacity payments of FEL shall only be recovered when it falls on merit list of CPPA (G) however, there would be certain periods in a year when plant will not be required to operate by CPPA (G) hence no recovery of Capacity Payment which will compromise the interest of lenders / sponsors of electricity producing company. Besides having devastating effect on the banking sector as a whole in case of failure of FEL to service its debt.

- e) The Impugned Determination conveys that the government of Pakistan policies are not to be trusted and relied upon and are not even worth the paper on which they are written. Unless the Impugned Decision is reversed, it is feared that no sane investor or banker would take government of Pakistan's policy seriously since it has now become apparent that NEPRA can overturn and disregard policy provisions on the basis of unfounded claims. It is imperative to highlight that this 2008 Cogen Policy was framed to incentivize the usage of indigenous renewable resource namely bagasse produced by the sugar mills industries. The preamble of 2008 Cogen Policy sets out the purview and its mandate in very explicit terms which for the ease of reference is reproduced hereunder:

*“i) The incentives available to the Independent Power Plants under Policy for Power Generation Projects 2002 would be available to the Power Co-Generation units of Sugar Mills.*

*ii) The Power generated by the Sugar Industry will be purchased by NTDC or DISCO concerned at agreed/negotiated and competitive rates to be approved by NEPRA. Power Sale / Purchase Agreements, valid during the life of the Power Co-Generation units, will be signed with Sugar Mills on the lines of the Agreements signed with the IPPs.*

*iii) Bagasse and imported/local coal will be consumed as per requirement of the plant without any limitation of interchangeability.*

*iv) The co-generation power projects will be developed on Fast Track Basis and there will be no requirement of pre-qualification, feasibility study and Letter of Interest (LOI) by PPIB. The Sugar Industry will be issued Letter of Support (LOS) by PPIB after upfront tariff has been determined by the NEPRA.*

*v) The sugar mills selected for power Co-Generation will be required to set up the plant on fast track basis but not later than 36 months of issuance of Letter of Support (LOS) since basic infrastructure is already in place.*

*vi) It will be the responsibility of the Sugar Mills to make all other arrangement like bank financing, purchase of land, procurement of machinery etc.”*

- f) Power Policy 2002 while discussing Tariff at Section 6.3.2 para 59 specifically states that

*“ The CPP will be paid provided the plant is available for dispatch to standards defined in the PPA. The EPP will be paid based upon the amount of KWh energy despatched”*

- g) The role of regulator is pivotal to ensure a balance between investors and consumers. Any imbalance would jeopardize the continuity of investment in power generation sector. The Impugned Decision has distorted the critical balance, which is needed to encourage investment in Pakistan power sector in general, and the Petitioner in particular.

- h) The project is a result of commercial decisions, which have been taken by the sponsors/developers on the basis of the applicable policy regime and

the regulatory jurisprudence evolved by NEPRA. The designation of the project from 'take or pay' to 'take and pay' arrangement has affect of "change in law" whereby the Authority has tried to reinterpret the 2008 Cogen Policy as well as its laws to determine in a manner which is contrary to its previous determinations. As a *quasi*-judicial body, the decision of NEPRA is in violation of the principles of uniformity, consistency, non-discriminatory treatment, level playing field and equality.

- i) The learned Authority has failed to appreciate that the 'take and pay arrangement' as opposed to 'take or pay arrangement' makes the bankability of the project questionable and in absence of assured revenue stream, project lenders feel unreasonably exposed to risks. In commercial world, the lenders are 'risk averse' and require adequate assurance that the project company will be able to, *inter alia*, service its debts on time.
- j) The Impugned Decision fails to provide necessary comfort to the Petitioner and its lenders who have assumed commercial risks to develop and fund the project on limited recourse basis following 'project financing principles' without the provision of key incentives which are typically available to grid-based power generation projects under the relevant power generation polices of the Government of Pakistan (or the relevant provincial governments). These incentives are offered to enable the intending power generation companies to attract debt financing and equity investment from project investors and lenders at reasonable prices.
- k) The Impugned Decision may be modified on account of the fact that the basis of refusing the take or pay option provided by the Authority is not properly rationalized and the grounds refusing the request to determine the tariff on take or pay arrangement are not adequately justified.
- l) The Impugned Decision is discriminatory and unfairly prejudice to the Petitioner project. The Impugned Decision unfairly and wrongly discriminates the Petitioner with the projects, which are otherwise similar, but are/were (being) developed under the various power policies of the government and have tariffs which are higher than the the tariff determined for the Petitioner. These projects are allowed recovery of their fixed costs, irrespective of dispatch, in different forms and structures provided through policy or tariff framework provisions under a policy. It is imperative that discrimination on the basis of applicable power policy will be illegal and against the fundamental rights of the Petitioner and does not correspond with Authority's
- m) The Petitioner has sought the financing of the project on the basis of assured payment scheme and 'take or pay' arrangement. The shift from

'take or pay' arrangement to 'take and pay' arrangement is not acceptable to the lenders.

3. The Impugned Decision has reduced the construction period without giving any plausible rationalization or reason. NEPRA while determining the Tariff has allowed 28 months as construction period. You would appreciate that this period of 28 months had already expired on 9th June 2016 whereas NEPRA issued determination on 17 June 2016. It is pertinent to mention that EPC Contractor has almost completed its activities however, in order to achieve CoD EPC Contractor has to demonstrate certain test especially 8.2 & 8.3 test including IDC to Power Purchaser under that PPA, which is mandatory for declaration of CoD. A lot of regulatory requirements/documents like LOS, PPA including CSA and O&M agreement, IA, and amendments to Financing Documents is required before declaring CoD which could have only been concluded after announcement of tariff determination. It is also noteworthy that FEL tried to close these issues with CPPAG, NTDC and PPIB but they linked it with announcement of determination. FEL believes that with support of CPPAG, NTDC, PPIB and GoP the project shall be able to achieve CoD within 30 months of NTP. It is respectfully submitted that the construction period as requested by the Petitioner in its Tariff Petition based on signed EPC contract may kindly be allowed with actual adjustment of interest during construction, ROEDC and other capex/expenses at the time of true up.
4. The learned Authority has increased the Plant Efficiency from 28% to 29.2% without any plausible justification. This increase in the efficiency benchmark has rendered the tariff unviable and the project will incur losses on account thereof. Thermal efficiency offered by FEL was 28% despite the fact actual weighted average efficiency is 26.5%. Only reason to offer higher efficiency was to align FEL petition with NEPRA's earlier determination – JDW Power Limited dated April 2, 2010 and Cogen Policy 2008. Excerpt from JDW Determination is given hereunder:-
  - 5.1.6 In order to validate the technical parameters of the equipment particularly of the boilers; the Authority carried out a due diligence. In this regard the experts of major boiler manufacturers/suppliers of Pakistan were of the view that boiler proposed by the petitioner having efficiency of upto 89% were non-existent in Pakistan and the efficiencies of 29.21% and 29.47% on operation on Bagasse and Coal respectively are considerably on the higher side hence, which seems to be reasonable. According to the technical feasibility provided by the petitioner, the sugar plant requires process steam at around 430 TPH for heating the juice extracted from cane, evaporating the water from the juice to make syrup and then to concentrate the syrup further to crystallize the sugar from the syrup. This process would cause a reduction in efficiency by about 7.5% (from 29.21% to 21.69%).
  - 5.1.7 Having considered the issue of reduction in efficiency during season bagasse based operation the Authority observed that currently the petitioner's sugar mill is already delivering about 12 MW of electricity to national grid at PKR

7.33/kWh. The petitioner proposed plant will replace the existing plant and equipment due to which the process steam for sugar plant will exclusively be derived from the proposed 80 MW Co-Gen power plant. The investor should have an incentive to build bigger plant not only to meet in house steam requirement but also to deliver a sizeable additional MW to the energy starved National Grid. The petitioner has also placed it on record that the additional cost to the extent of US\$13 million for modification in process house and mill drive in the sugar plant is not passed on to the power purchaser. However, at the same time, the Authority observed that the weighted average net efficiency of 26.83% offered by the petitioner for the whole year is below minimum net benchmark of 28% mentioned in the National Policy for Power Co-generation 2008 therefore, the same efficiency should be considered as a floor and not as ceiling, not only in the instant case but also for the future Co-Gen power plants. In view thereof, the Authority has decided to adopt minimum weighted average net efficiency of 28% for calculating fuel cost component for the entire life of the Project. This treatment will suitably adjust the allocation of cost of steam between the power purchaser and project sponsors and address the concern of Power purchaser regarding minimum net efficiency of 28%.

It is prudent to mention that after much deliberation NEPRA decided to allow 28% efficiency to Cogen Power Plants. Linking of Bagasse price to coal was on account of non-availability of established market for bagasse where its real price could be discovered. In linking Bagasse price sugar mills incur loss as they cannot claim higher prices of bagasse which they can fetch during off season from stored bagasse. If total loss of efficiency is transferred to sugar mill they will also require arms' length price of their product which in our view is not possible to determine due to informal bagasse market. Hence the whole concept of Cogen mode will be trashed. Moreover according to cost plus principal FEL shall also be entitled to actual efficiency of the technology which is 26.5% and bagasse price based on delivered at site. However FEL respects earlier decisions made by Authority and request that same may be allowed to FEL. In view of the above it is requested please to allow 28% efficiency. Under the 2008 Cogen policy entire business model has to be considered as a package and not standalone capability of certain plant. The operations under Cogen mode require supply of power & steam to sugar mills which enables it to operate and supply bagasse to IPP. Under the Cogen policy 2008 the IPP operates at weighted average efficiency 28% throughout the year but the Bagasse only power plants operate at 24.5% efficiency for 4-5 months in a year. Reference can be made to Almoiz Industries Limited determination dated August 7, 2015, Chiniot Power Limited determination dated June 11, 2014 and JDW Sugar Mills Limited Rahimyar Khan determination dated November 06, 2013 and JDW Sugar Mills Limited Ghotki determination dated November 06, 2013. FEL IPP plant not only provides better efficiency of 28% but also operates all year round as stable base load plant for power purchaser/consumer. It is respectfully submitted that the plant efficiency as requested by the Petitioner in its Tariff Petition may kindly be allowed. This request of the Petitioner is consistent and in line with the NEPRA previous determination for similar projects.

5. The learned Authority has failed to appreciate that the nature of the project requires it to be a 'must run project' especially during the crushing season. This must run requirement is the essence of a cogeneration projects integrated with sugar mills. The Impugned Decision undermines the must run concept during the crushing period. It is respectfully submitted that owing to specific relation between sugar mill and cogeneration power plant, the latter shall be in operation during crushing season so that it can provide steam and power to the sugar mills for its operations. It needs to be further appreciated that the sugar mills, which are incurring huge investment in establishing power generation projects invariably, will undertake this project by making their existing steam and power generation facility redundant. If the must run concept and the recognition that new investment in power generation will leave the existing infrastructure redundant is not appreciated it will compromise the commercial sense of setting up cogeneration projects under the applicable 2008 Cogen Policy of the government of Pakistan. Moreover, GOP has to protect interest of 25K-40K sugar cane grower families whose livelihood is dependent on this crop. In case sugar mills is unable to operate due to non-availability of steam & power from IPP power plant it will have devastating impact on the poor farmers of the area. Recognizing this fact it is requested please to allow mandatory offtake by Power Purchaser during crushing season as has already been allowed to Bagasse only projects under Renewable Energy Policy 2006.
6. The Impugned Determination in Paragraph-10 (d), (f) and (g) refers to standardized power purchase agreement of 2006. Apparently there is no such standardized agreement available for projects being developed under 2008 Cogen Policy. It is requested the same may kindly issue appropriate instructions to relevant stakeholders to urgently finalize the power purchase agreement in accordance with the 2008 Cogen Policy and ensure that there is no delay on account of non-provision of PPA and or delay in COD. It is respectfully submitted the Petitioner may not be made to suffer on account of any such delays and may be accordingly compensated where the fault is not attributable to the Petitioner.
7. The Impugned Determination has revised the contract capacity on account of annual auxiliary consumption to be locked at 9% without taking into consideration the project specific design. It is submitted that according to the specific design requirements of the project the contract capacity of 102.657 MW will render the project unviable as opposed to requested 100.53 MW. The learned Authority has not given due consideration to the fact that the number assumed by the Authority is inconsistent with the actual contract capacity figures which the project will achieve. It is pertinent to highlight the contract capacity figure of the project has been guaranteed by the EPC contractor and duly verified by the leading European consultant namely CDF. The Petitioner would share the pertinent documents and evidence with the learned Authority in due course. As has been submitted earlier that total no of units offered by FEL is greater due to higher availability of 88% than already established benchmark of coal upfront tariff determination revised dated June 26, 2014 and adopted by various power producer namely Huaneng Shandong

Ruye Energy Limited dated March 31, 2015, Lucky Electric Power Company Limited dated April 06, 2015, Port Qasim Electric Power Company Limited dated February 13, 2015 and Siddiquesons Energy Limited dated July 13, 2015 and also allowed to FFBL Power Company Limited dated December 29, 2015. Authority has linked our higher availability with European Technology of Boilers it is also noteworthy that Boilers are designed on specific parameters and Auxiliary Consumption is an output of that design factor. Auxiliary consumption is also dependent on maintenance regime of the Complex if Authority intends to cap auxiliary consumption at 9% then FEL should also be allowed 85% availability in line with solid fuel plants like coal. It is therefore requested please to allow either 100.53 MW as weighted average power generation capacity per annum or FEL be allowed freedom of more outage by allowing outages aligned with coal upfront tariff i:e 85% so that with better performance auxiliary consumption is further optimized.

8. The learned Authority while determining the fixed cost O&M component has ignored the economy of scale would require the Petitioner to incur relatively more cost as opposed to large size plant. Total annual cost per plant is more relevant instead of cost per unit. Cost of the O&M is linked with the number of people, department / segments involved and variety of fuel to be used and technology of the power plant. Aforesaid cost remains almost same in case of 120MW power plant or 220 MW power plant rather in FEL case additional department of Bagasse handling is involved which is not covered in upfront tariff for coal of 220 MW, therefore, FOM is slightly higher than that on annual basis. You would appreciate that FEL has appointed 88 highly skilled professional from power industry (Copy of Organogram attached) and almost same number of skilled staff shall be hired through contractor. NEPRA would appreciate that same organogram is more or less required for larger power plants. Authority shall appreciate that this is a first project in this configuration which is being set up in Pakistan and largest in the world on specific technology which mandate more competent O&M. therefore, we have hired services of CdF Ingenierie of France as Independent O&M Operator. In order to optimize the cost five experts are foreseen from CdF and remaining O&M Staff shall be hired by FEL locally under CdF guidance. Authority has allowed Fixed O&M cost of US\$ 5.9 million (indexed with CPI for Nov 2015) in upfront coal tariff determination while FEL has claimed Fixed O&M cost of US\$ 6.4 million. Additional Fixed O&M cost of US\$ 0.5 million is due to:

- Addition of another solid fuel bagasse handling system requiring extra resources with allied expenses.
- Specialized foreign O&M support contracted due to unique nature of the dual standalone fuel configuration and complex operation.
- Site security for expatriates.
- Residential complex due to remote location.

Since O&M local staff has already been hired and evidences of salaries and other costs is available to be shared with NEPRA. In order to satisfy NEPRA's requirements details of Fixed O&M along with breakup and evidences for last three months actual expenses duly supported with bank statements is being prepared and will be submitted in person for Review of the Authority. It is requested that the learned Authority may kindly allow the fixed O&M cost in accordance with the request made in Tariff Petition.

9. VOM is demanded by FEL is comparable to other similar projects determined by the Authority. Foreign component is higher than others due to:
- (ii) More chemicals required for water treatment as the Project is located in water logged region which requires additional chemicals for water treatment.
  - (iii) Variable O&M cost of FPCL and upfront tariff is for single fuel only while FEL VOM also includes additional cost of bagasse handling system.
  - (iv) European origin of spares.

Detailed VOM breakup is attached.

	FEL	FPCL	Upfront Coal	JDW (Indexed)	JDW EPC Indexed
Variable O&M Foreign- (Spares & Chemicals)	0.2040	0.0811	0.0684	0.3580	0.3580
Variable O&M Local- (Including additional chemicals required for waste water treatment)	0.0535	0.0121	0.0456	0.1296	0.1296
Limestone	-	0.0897	0.0900	-	-
Water	-	0.1590	-	-	-
Variable O&M Local – Ash	0.1595	0.1753	0.2200	-	-
<b>Total Variable O&amp;M</b>	<b>0.4170</b>	<b>0.5172</b>	<b>0.4240</b>	<b>0.4876</b>	<b>0.4876</b>

Note: In above, comparison of FEL with FPCL would indicate that by removing difference of Limestone being irrelevant in FEL model, FPCL cumulative VOM stands at 0.42 whereas FEL is at 0.41 being identical. FPCL water treatment/supply component of 0.16 is inclusive in FEL 0.20 (Spares and Chemicals).

10. The learned Authority in its Impugned Decision has reduced certain costs claiming that the Petitioner has not submitted the relevant evidence in support thereof, which were claimed in the other CAPEX amounting to US\$ 7 million. The Petitioner seeks the learned Authority to kindly consider the relevant evidence based on which the other CAPEX may kindly be allowed. The relevant evidences will be submitted to NEPRA for its consideration in due course together with other documents, which are being compiled.
11. The lender fee and charges allowed in the Impugned Decision are 3.16% of the total debt amount, which is less than the NEPRA, established benchmark of 3.5% of the total debt amount as in the case of Upfront Coal Tariff Determination dated June 06, 2013 and Quid-e-Azam Thermal Power Limited dated April 14, 2016. It is respectfully submitted that the Petitioner may kindly be allowed the aforesaid charges in accordance with the benchmark of 3.5% of the total debt amount.
12. The Impugned Decision does not adequately address the request made by the Petitioner in respect of bagasse pricing mechanism. It is respectfully submitted that the request made in Tariff Petition may kindly be accepted and the pricing of bagasse may kindly be linked with the mechanism already established by NEPRA under its bagasse upfront tariff determination.
13. While allowing the capacity charge component to the Petitioner, the learned Authority has linked the same with 'merit order' of CPPA. Without prejudice to Petitioner claim to seek take or pay arrangement, the Impugned Decision is vague insofar as the concept of 'merit order' is concerned. It is requested that the 'merit order' may kindly be defined to exclusively include only the fuel cost component and variable O&M on the basis of which such evaluation will be made.

It is respectfully submitted that NEPRA has allowed ash-handling charges only during coal operations which do not cover the ash handling during bagasse operation. It is requested that the aforesaid anomaly may kindly be removed in order to include such costs to cover both fuels. You would appreciate that the Petitioner calculated this component by dividing total annual cost of ash handling/disposal with total annual number of units generated by plant irrespective of operating fuel and we demanded PKR 0.1595 / KWH on weighted average basis. Detailed calculation is given hereunder for your reference please:

Particulars	Unit	Coal	Bagasse	Total
Total Quantity per annum	Tons	307,000	408,000	

Ash Content	%age	14.5~15%	1.16%	
Total Ash per annum	Tons	44,515	4,733	49,248
Cost of ash disposal / handling	PKR	111,729,346	11,878,977	123,608,322
Units	Kwh	598,125,792	176,849,760	774,975,552
Cost per KWH	PKR	0.1868	0.0672	0.1595

In the aforesaid scenario ash handling cost is PKR .0672 per KWH in bagasse generation and PKR 0.1868 per KWH in coal generation. As NEPRA has allowed ash handling component proposed by Petitioner PKR 0.1595 per KWH in Coal mode only whereas this component of cost is applicable in both fuels. In case NEPRA intend to allow cost of ash handling separately for both fuels then PKR 0.1868 and PKR 0.0672 per KWH be allowed for Coal and Bagasse respectively. Otherwise weighted average cost of PKR 0.1595 may be allowed to the petitioner on in both operating modes of Coal and Bagasse.