



Prime Minister 2

Prime Minister

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5/8

POWER STATION ENDURANCE - ANCILLARIES

The accelerated coal delivery programme has resumed following the end of the dispute on the railways. The CEGB now expect to have 26 million tonnes of coal at power stations by the end of October.

My officials have reviewed the position on ancillaries with the CEGB. As you know, for this autumn, the Board will have stocks equivalent to 9 weeks endurance - the present limit of their bulk storage capacity. They have made plans for replenishment in the face of picketing. These include the use of helicopters, road tankers in CEGB livery driven by Board staff and unmarked private transport, exploiting non-road transport and "surprise" access at night. Local managers would have to use their initiative. The Board believe that, in this way, they would be able to restock once without Government assistance towards the end of the initial 9 week period, which would extend endurance to 11-12 weeks.

Thereafter, much would depend on the attitude of the pickets and on the resolution we are prepared to show in the face of illegal picketing. Possible responses to vigorous picketing include police assistance on a substantial scale, - the use of servicemen to deliver supplies - and if necessary the limited introduction of rota power cuts at times of peak demand with the specific purpose of conserving stocks of ancillaries. I think it would be useful if the MISC 57 group of officials could look again at the range of problems associated with the picketing of power stations and the assistance that might be required from Government early in the autumn.

For next year (ie November 1983), it would be possible to construct bulk storage plant for ancillary materials to bring endurance to 20 weeks. This would cost £30m for construction and a further £40m increase in working capital to fill the new capacity. I am glad to say that the Board of the CEGB are considering a proposal this week that they should embark upon such a programme of their own volition, financing it as far as possible from within their own resources and without seeking a Government grant. The main expenditure would be in 1983/84, and the intention would be to avoid any effect on electricity prices.



I am copying this minute for the usual limited circulation, to the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Defence, Scotland, Industry, Transport and Employment, to Sir Robert Armstrong and to Mr Sparrow.

A handwritten signature in black ink, appearing to read 'E. H. H. H.', written in a cursive style.

Approved by the Secretary of State
for Energy and signed in his absence

4 August 1982

CONQUEROR
LONDON