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Energy Rtb



10 DOWNING STREET

From the Private Secretary

2 July, 1981

Gas Gathering Pipeline

Thank you for your letter of 29 June with which you enclosed a copy of the letter of the same date from your Secretary of State to the Chancellor of the Exchequer. I have shown this to the Prime Minister. She has commented that, on the face of it, the Government guidelines which were issued to the Organising Group were far too stringent in so far as they appear to make it extremely difficult for investing companies to make a profit on the project. She wonders whether there is any possibility at this late stage of altering the guidelines. In any case, she hopes that the difficulties which are holding up the project can be satisfactorily resolved.

I am sending copies of this letter to John Wiggins (HM Treasury), David Wright (Cabinet Office) and Gerry Spence (CPRS).

J. P. LANKESTER

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David Lumley, Esq  
Department of Energy

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