



SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 6402

Michael Scholar Esq
10 Downing Street
London SW1

27 January 1982

Dear Michael,

WITHSTANDING A COAL STRIKE

My Secretary of State has seen your letter of 15 January.

He does not believe that the arrangement to increase grants to NCB to offset losses resulting from the displacement of coal by NGLs at Peterhead will prejudice the objective of building up power station coal stocks.

Even with the exports and other additional sales envisaged, NCB's stocks of coal in Scotland are likely to rise to 2mt (i.e. about a quarter of annual coal burn in Scottish power stations) by the end of this year. In these circumstances, there seems no reason to doubt that ample coal will be available for an increase in SSEB power station stocks.

As for England and Wales, there is more than enough coal south of the Border to supply the CEGB with their normal 75mt of coal this year. The limiting factor on additional deliveries is likely to be the capacity of the transport system, rather than the availability of suitable coal. This capacity will be used most effectively if we build up stocks at CEGB power stations using the coal nearest to hand.

In the light of these points, my Secretary of State doubts whether it is necessary for MISC 57 to look further into this question.

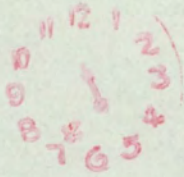
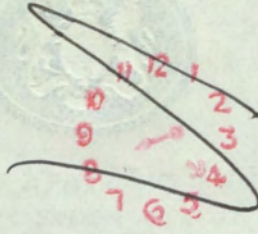
I am sending copies of this letter to the other recipients of yours.

Yours ever,

J D WEST
Private Secretary

127 JAN 1982

27 JAN 1982



[Faint, mostly illegible text, possibly bleed-through from the reverse side of the page]