SECRET

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ENDURANCE AND A NACODS STRIKE

1. This note begins by describing a "worst case" in which a NACODS strike stops all coal production. It then considers ways of improving endurance from that "worst case". It considers the scope for achieving some production and then looks at imports, further movement of stocks and other means of extending power station endurance. Finally it discusses means of reducing electricity consumption.

The worst case

2. CEGB's latest estimates of endurance, assuming continued oil burn at maximum level, are as follows:-

Average useable coal deliveries (NCB and non-vested)	Endurance
0.0 mt coal per week	mid-January
0.1	late-January
0.2	early-February
0.3	mid-February
0.52	Autumn 1985

3. Residual coal flow. If a NACODS strike is solid and there is no further production of deep-mined coal, NCB believe it should be possible to deliver something like 350 kt of coal a week (perhaps realistically a range of 300 to 400 kt) to all users, of which 250 kt might go to CEGB. This assumes continued lift of stocks from opencast sites in the present working areas (say 100 plus kt) and deliveries of deep-mined coal from stock in the same areas

(say 200 plus kt).

4. This "worst case" assumes that the NCB will be able to man (with NUM working miners) and operate washeries in the present working areas. This ought to be perfectly possible, given the stance of the working miners and the fact that the NCB were continuing to pay them.

5. CEGB envisage, say, 40 kt of non-vested coal to add to the above, making a total of about 300 kt for power stations. Any fresh-wrought coal (because some NACODS men are at work in the Midlands) would be a bonus, although competition for limited washery capacity would limit that bonus. Thus, there is a potential shortfall of 200 kt a week compared with the level of deliveries hitherto judged necessary to secure electricity supplies throughout the winter.

A. Restoring some coal production.

6. Total withdrawal of NACODS threatens a total stop of production because of the impact of the safety regulations (Mines and Quarries Act, 1954, Regulations, Section B, Part 4). These regulations divide pits up into "districts" which are the responsibility of one deputy. The size of the district has to be such as to enable each deputy to examine all the ventilation, safety of roadways, conveyors, face equipment etc in the district during the course of 1½ hours. Two full inspections of the district must be carried out during each shift. Each deputy must have a certificate of competence, a Gas Testing and Hearing Certificate and a First Aid Certificate.

7. BACM members who are mining engineers have the certificate of competence but their Gas Testing and Hearing Certificates and First Aid Certificates lapse after five years and managers would often not bother to renew them. These certificates could, however, be renewed

relatively quickly after crash refresher courses.

8. 3,300 NACODS men were at work in the working areas earlier this week. Some might continue working. There are perhaps 1,600 BACUM members in the whole industry who have, or could speedily recover, the necessary certificates. There may be a very few NUM members in the working areas with the qualifications cations also. BACM would presumably not agree officially that its members perform NACODS tasks; it would be a question of persuading individual managers. It would be a matter of the practicalities and the vigour of Coal Board management whether a number of coal faces could be kept in production by drawing on these resources. But even 10% of present deep-mined production would contribute 50/60,000 tons a week to the 200,000 gap, provided the washeries could cope with it.

9. It is assumed that amending the safety regulations, whether directly or by emergency powers, should be ruled out. We are however studying further in detail the possibilities for replacing striking NACODS members, by crash programmes or in other ways.

B. Increased coal movements to power stations

10. Imports. CEGB stocks at Rotterdam are nearly 3m tons. Ministers have agreed that the NCB should draw on this to fulfil export contracts, but about 2m tons would remain and this could fairly readily be supplemented by "spot" purchases.

11. If the TGWU operators at the CEGB's two large coal burning Thameside stations could be persuaded to cooperate, coal could be brought in at, say, 150 kt a week. But CEGB are not optimistic that that can be done in the near future without risking, for example, the abnormal oil burn and TGWU cooperation elsewhere in the system.

12. However, they are exploring the option of bringing up to 30 kt a week of coal into Shoreham (using foreign or cooperative NUS crews) for use at Brighton B Power Station. CEGB soundings with their own staff at Brighton and with Shoreham Harbour have been encouraging. They will also consider whether coal could be imported through another southern port for delivery to a power station where that would not create an industrial relations problem. The trade statistics show over 1.3m tons of coal imports in September which certainly suggests that it ought to be possible to get coal imports to power stations, if necessary at second hand. We will pursue this.

13. Strike Bound Coal. NCB and CEGB agree that moving coal from opencast sites in strike bound areas is less difficult than moving deep-mined stocks from pitheads.

14. NCB and CEGB agree that the North East is a potential source of opencast coal. From two sites in Northumberland and four (smaller) in Durham, the NCB could draw up to 200 kt a week for at least ten weeks. But movement of this coal from sites in striking mining areas is likely to encounter heavy picketting, and vehicles would also be vulnerable on a long journey to Midlands power stations, not least because most of the sites are remote from the motorway. That would probably require convoys.

15. For these reasons NCB would prefer, if this operation were undertaken, to deliver to Blyth power station, but CEGB see serious industrial relations objections to that. They would prefer to send this coal, by lorry, to Midlands power stations. This would probably involve convoys of 30 vehicles travelling up to 150 miles. Four convoys in each direction during each hour of the day (and two an hour at night) would be required. The logistics are formidable but the option is less difficult than some others.

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16. Scotland. No coal has so far moved to Scottish power stations during the strike but there are stocks of coal in Scotland which could, physically, be readily moved to SSEB power stations (Cockenzie/Longannet). CEGB are now using 75% of the capacity of the interconnector with Scotland. If coal could be moved in Scotland and use of the interconnector raised to 100% that would be worth 20,000 tons a week.

17. Non-vested Coal. CEGB are already assuming that non-vested supplies can be stepped up from 35 kt to 40 kt a week. They judge this to be the maximum available.

18. Diversion of supplies from industrial consumers to CEGB. The diversion of coal from industry to CEGB raises its own political problems. There is a Government interest in maintaining production, employment etc and not generating pressure from industrialists. But it might be judged that endurance of the CEGB system was the top priority. NCB already envisage that they would reduce the rate of supply to industries with considerable stocks eg cement which has 10 weeks at present. There is a balance to be struck but some extra tonnage might be obtained for power stations, at least for a while.

C. Further savings on power station coal burn

19. CEGB judge that they have already gone very nearly as far as they can on oil burn, nuclear, gas turbines, purchase of private electricity etc. They are trying to make a little more progress on burning oil with coal in coal-fired stations, subject to industrial relations risks. They plan marginal refinements in tuning the system, involving risks of voltage reductions at peak periods which would be explained as the result of operational difficulties. These are worthwhile developments, but at the margin.

20. CEGB make the point what they can do without provoking resistance at power stations (notably by TGWU staff) depends on the general climate. In a serious situation where the Government was taking the lead on firm action to get through the winter and the NUM appeared clearly unreasonable to the great bulk of the trade union movement, action like imports or high profile stock movements would be easier than otherwise.

need to be refined in further discussion with the electricity supply industry to take account of the present profile of electricity usage. The translation of percentage reductions in demand into endurance is not straightforward and would need to be further discussed with CEGB.

E. ASSESSMENT

24. The best possibilities for restoring winter-long endurance in the face of a NACOD's strike which left us about 2000,000 tons a week short of the necessary coal for power stations seem to be as follows (with an indication of the authorities who would have to act on political decisions):-

(i) use managers for safety supervision in the working areas. 50/60,000 tons a week saved production ought to be possible.
Action: NCB.

(ii) imports. 30,000 tons a week looks possible, but by no mneans certain. Potential for more substantial, but risks considerabl;e.
Action: CEGB

(iii) Scotland. Possibly up to 20,000 tons a week via the interconnector. But far from easy.
Action: SSEB/CEGB/Scottish Office.

(iv) smaller measures. A modest yield from load management, limited diversion of industrial coal etc. Perhaps 5/10,000 tons.
Action: CEGB.

(v) national appeal for electricity saving. Difficult to predict saving but at least 5% might be possible - about 100,000 tons.
Action: HMG.

(vi) open-cast coal from the North East.
Up to 200,000 tons a week.
Action: NCB, CEGB, Home Office and police authorities.

25. There is an increasing degree of change of policy stance as one moves down the list of six measures. The last two in particular represent a significantly higher profile of policy than hitherto.