

CE DP
Could you try and
establish X

AT
8/12



Prime Minister ⁽²⁾

X/ Not very informative. I will
try and find out when full
Commissioning is now expected
The good news is that, so far,
the second generation of AGR's,
based on the best of the earlier
designs, is on time. AT

PRIME MINISTER

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DELAYS IN COMMISSIONING OF ADVANCED GAS-COOLED REACTORS (AGRs) 6/2

see AT to EN 9/12/1

Following our discussion last month, I have now had a further report from the Central Electricity Generating Board on the reasons for, and consequences of, delay in bringing into commercial operation the Dungeness B, Heysham I and Hartlepool AGRs.

By the end of 1981, construction of the first AGR units at all three stations had been substantially completed and commissioning work begun. CEGB then expected commercial operation during summer 1982. In the event, the commissioning phase revealed progressively a number of weaknesses requiring modification, most notably to the boiler tube at Dungeness and the gas circulators at Hartlepool and Heysham. These problems have not only delayed commercial operation for many months, but have also prevented operation at full design load.

CEGB assess the impact of the latest delays as a reduction of output in 1984/85 of 3.8TWh, at a cost of some £90m.

I have informed the CEGB of my deep disappointment on these developments and the urgency of overcoming these technical problems. I have asked for regular reports to be made to me upon the progress they are making.

There is no doubt that we are suffering badly from the spreading of the resources of the nuclear industry over three separate designs, the failure to settle firmly on a design before construction and the unsatisfactory contractual and managerial arrangements.



X/ I hope we will find that these problems do not re-occur on the two latest AGR projects, Torness and Heysham II. Our main objective must be to see that if Sizewell B proceeds the nasty mistakes from the past are not repeated there.

I am copying this minute to the Chancellor of the Exchequer.

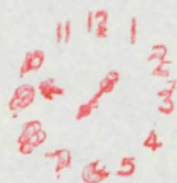
A handwritten signature in blue ink, which appears to be 'G. G. G.' or similar, written in a cursive style.

SECRETARY OF STATE FOR ENERGY

6 February 1984



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FEB 1984



MR TURNBULL

14 February 1984AF
15/2ADVANCED GAS-COOLED REACTORS (AGRs)*Harley on mt*

The current target dates for operation at full power of the three problem AGR stations are:

| | |
|-------------|----------------|
| Heysham I | September 1984 |
| Hartlepool | October 1984 |
| Dungeness B | January 1985 |

However, it is by no means certain that the design problems which have plagued the commissioning phase of these stations have been resolved. Neither of the two reactors in the three stations has yet been run at full power. As a result there is not a high degree of confidence that the above target dates will be achieved.

The CEGB and NNC appear to be doing everything they can to overcome the problems and Peter Walker is taking a close personal interest in progress. Nevertheless, the continuing problems and delays are a strong indictment of our ability to implement a successful nuclear power programme.

The prospects are more encouraging for the two latest AGR projects at Torness and Heysham II. Construction of these stations is on schedule and on budget. Commissioning is expected to start in 1986 with full power operation in 1988.

Major design faults are not anticipated as the design is based on the successful Hinkley Point B and Hunterston B stations.

All of the AGR projects have been based on a principle of the NNC as contractor and the CEGB/Scottish Boards as client. The recent decision to set up a Project Management Board for Sizewell B gives the CEGB direct control over the project but through a structure which formally separates the project management role from that of the client.

This should give the best chance of ensuring that the Sizewell project, if sanctioned, is built to time and to cost.

Nevertheless, the whole basis of the contractor/client relationship for future projects will need to be reviewed in light of decisions on privatisation of the electricity supply industry.

DLP.

DAVID PASCALL