

Pamie Winter 2

To note that we should still
hit the target of 27m tonnes of coal
stocks by October, despite the cold
spring.

m.f.

MR NORRGROVE

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JRN 8/7

COAL STOCKS AT POWER STATIONS

You asked whether the mid-June figure of 23.4 million
tonnes of coal stocked at power stations in Great Britain is
below the planned build-up of stocks to a level of 27 mt by
end October.

The current shortfall is about 0.5 mt. The output from
British Coal has somewhat exceeded the target, but this has
been offset by higher than expected electricity demand and
less coal from other sources. There is no need to worry at
this stage. If electricity demand continues to exceed
expectations, the CEGB can increase the oil burn - and enjoy a
cost saving.

The strategic question to be considered later this year
is whether the CEGB should play safe and adopt a policy of
cycling coal stocks between 27 mt at the start of the Winter
down to 22 mt at the end, or whether to drop back to cycling
between a maximum of 25 mt and a minimum of 20.

JRN

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