



Prime Minister

(2)

Phd 26/9

COMMERCIAL IN CONFIDENCE

From the Secretary of State

Michael Alexander Esq
Private Secretary
10 Downing Street
London, SW1

26 September 1980

Ag. Phd

Dear Michael

GREECE: COAL-FIRED POWER STATION PROJECT

The Prime Minister asked for a progress report on the Greek coal-fired power station on her return from Yugoslavia. Briefly, the following action is in hand:-

GEC - a draft Heads of Agreement is being prepared for presentation to the Public Power Corporation by the end of next week.

NCB - the draft Agreement is being re-examined to make its substance clearer and to ensure that it conforms with the final offer made. The aim is to resubmit it to PPC in the week after next.

Shell - the need for urgent details on the commercial aspects of a dedicated mine have been put to Shell and will be discussed with them on Monday 29 September on their return from Denmark.

After Monday's meeting with Shell we should have a clearer idea of the timing for presenting proposals on the dedicated mine.

When we have established the details of the dedicated mine, we would suggest that the Prime Minister underline in a message to Rallis that the package on offer has unique advantages, represents our last word, and cannot be improved in substance, and this would be accompanied, or paralleled, by a succinct paper setting out the major selling points of the separate elements of the package.

We are pursuing the outstanding coal issues vigorously, and I shall update you next week on progress. Meanwhile, we feel that the Prime Minister should not approach Mr Pocock until we have identified whether there are problems on the Shell front.

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?? Michael Pocock died

η a heart attack about
a year ago. not.



From the Secretary of State

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You are aware that my Secretary of State's visit is scheduled for 12-14 October. We shall be considering the tactics of this visit in relation to the developments I have described.

Yours sincerely,

Stuart Hampson

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Private Secretary

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