

Hinkley INQUIRER

The only complete and clear account

Hinkley C: The Reckoning

The last two weeks have been the most dramatic in the whole 13 month-long saga of the Hinkley C Inquiry.

From a government which was firmly committed to nuclear power has come an announcement which puts a major question mark over its future. In the process, any immediate

prospect of Hinkley C being built has been firmly scuppered.

In this issue of the *Inquirer* we report on these two sensational weeks. In the next issue we shall follow the *CEGB* through its revised closing submission and report on the reactions of objectors.

Whether this will now be the final end of the Inquiry remains to be seen. Watch this space.

Prices not costs

In a statement at the start of Day 172, Lord Silsoe presented the *CEGB*/National Power's view of this speculation (S.4867) His main point was that the figures of 8-10p per kWh given in the press reflected possible prices to be paid by the Area Distribution Boards, not the original cost of generation.

He then explained some of the reasons for this sort of "mark up". These included the fact that the prices reflected an anticipated 10% rate of return in the private sector, a charge for NP's central overheads, the bringing forward of commissioning costs - and inflation.

The Inspector refused applications from Brian Rome (*Bristol Conservation Society*) and Brian Parkin (*National Union of Mineworkers*) that Lord Marshall, John Baker and an Energy Department witness should come to the Inquiry to explain the situation.

Secret documents

That was not the end of this saga, however. The Department of Energy,

Hinkley C: The Press Speculates

The re-opening of the Inquiry on November (Day 172) was overshadowed by intense press speculation about escalating nuclear costs and the likely effect on privatisation.

The press reports had three basic elements:

- ★ That decommissioning existing Magnox and AGR stations would cost much more than had previously been thought - possibly up to £15 billion.

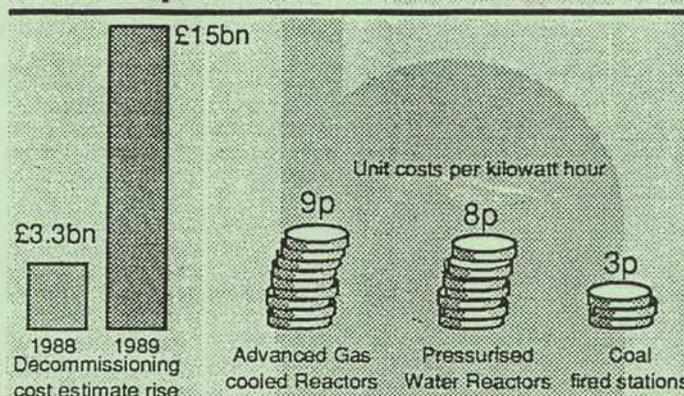
- ★ That the cost of nuclear power could now be as high as 10p per kWh, with even the newer PWR stations costing 8p per kWh. This would compare with about 3p per kWh for coal.

- ★ That these cost rises would result in all existing nuclear power stations being removed from privatisation

and the cancellation of the future PWR programme, including Hinkley C.

One source of the increased cost figures quoted in the press was an extremely authoritative 34-page briefing to the Cabinet by an unnamed Department of Energy official.

Nuclear power costs



How the Financial Times (Nov. 11) portrayed the rising costs of nuclear power.

IN THIS ISSUE

Two weeks that shook the Inquiry. Sizewell construction costs rise. How the government ditched Hinkley C. Short circuit.

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clearly fearing that its "Restricted" internal documents would see the public light of day at the Inquiry, had sent down a barrister, Mr. Steel, to defend its corner.

Steel was allowed to speak after lunch on Day 172, presenting a classic example of why the British

civil service is notorious for secrecy. He wouldn't even admit that the Cabinet document existed.

Steel's words still hang absurdly in mid-air since, at the time of going to press, nobody has in fact attempted to submit these allegedly confidential papers to the Inquiry.

Hinkley C: The Government Decides

The government has removed the main plank of the *CEGB's* argument for the proposed Hinkley C power station. It has done this by reducing the level of the **Non-Fossil Fuel Obligation** which lay at the heart of the Board's case.

At the same time, the government has also called a halt to all new nuclear construction until at least 1994. Hinkley C was planned to start building next year.

These are the two most important details for the Inquiry from a dramatic announcement by newly-appointed Energy Secretary John Wakeham on November 9 in which he withdrew all existing nuclear power stations from privatisation of the electricity industry.

His statement was widely interpreted as a body blow to Britain's nuclear industry. It has now cast a shadow over the whole future of the Hinkley C project.

The effect on the Inquiry itself has been a constant flow of rumour, two dramatic adjournments, and an eventual decision by the *CEGB* that it will try to complete its now somewhat battered case. This is how the events developed.

Sunday October 29

'End of the road for nuclear power in the UK'

Axe over three new nuclear power plants

The *Observer* newspaper says that Hinkley C, Wylfa B and Sizewell C are all "under imminent threat of cancellation" because of a government re-think on privatisation. This is the strongest claim in a welter of press speculation which started earlier

in the month and continued into November.

Tuesday November 7 (Day 172)

Inquiry resumes for two days to hear new *CEGB* evidence on capital costs (see separate report).

Thursday November 9 (Day 174)

At the opening of the Inquiry, the Inspector announces an adjournment until the following Tuesday because of press speculation "as to possible changes in government policy relating to the nuclear power industry and privatisation".

ONE HUNDRED AND SEVENTY FOURTH DAY'S PROCEEDINGS

THURSDAY, 9th NOVEMBER 1989

THE INSPECTOR: Good morning. Proceedings are resumed on Day 174. There has been a good deal of speculation in the Press and at these Inquiries as to possible changes in Government policy relating to the nuclear power industry and privatisation. It is, of course, possible that such changes, if they occur, could substantially affect these proceedings. I have decided in these circumstances the fairest course to all parties is to adjourn the Inquiries until next week. These Inquiries are adjourned, therefore, until ten o'clock on Tuesday, 14th November.

(The Inquiry was adjourned until 10 a.m.
on Tuesday, 14th November 1989)

(9.31 a.m.)

Transcript of the Inquiry's shortest ever day.

Later in the day, John Wakeham makes his expected announcement in the House of Commons (S.4876). This says:

1. That all existing nuclear power stations, including the part-constructed Sizewell B, will be excluded from privatisation because of their economics. Instead, they will be taken over by a new state company headed by John Collier, chairman of the UK



Terry Mulvihill

Atomic Energy Authority.

2. The NFFO will be set at a level "which can be satisfied without the construction of new nuclear stations ..." The *CEGB* is asked to "consider urgently" what action it will take over the Hinkley, Wylfa and Sizewell C applications.

3. The prospects for nuclear power will be reviewed again in 1994, when

Sizewell B is expected to be finished.

4. Apart from this, privatisation will go ahead as planned, with the non-nuclear power stations split between National Power and Power Generation.

Most observers interpret this statement as a clear signal from the government that the Hinkley C application should be scrapped.

Tuesday November 14 (Day 175)

A large audience waits to hear Lord Silsoe withdraw the application for the CEBG. He doesn't.

Instead, he asks for a further week's adjournment in which the

Board's directors can meet and also consult with John Collier, whose new organisation "would take over the benefit of any consent" for Hinkley C. Despite objections from *Stop Hinkley Expansion*, the Inspector agrees.

The Day That Never Was

The Inquiry Hall was packed to overflowing with objectors in expectant mood. This was to be the grand finale, the almost un hoped-for day when Goliath finally conceded defeat.

The clock on the neighbouring village church struck 10 as the audience waited with baited breath and the Inspector announced the resumption of proceedings.

As Lord Silsoe (on behalf of Goliath) spoke, the expectation in the hall turned to disbelief. "Give us time," the Lord declared, "to formulate and decide our attitude."

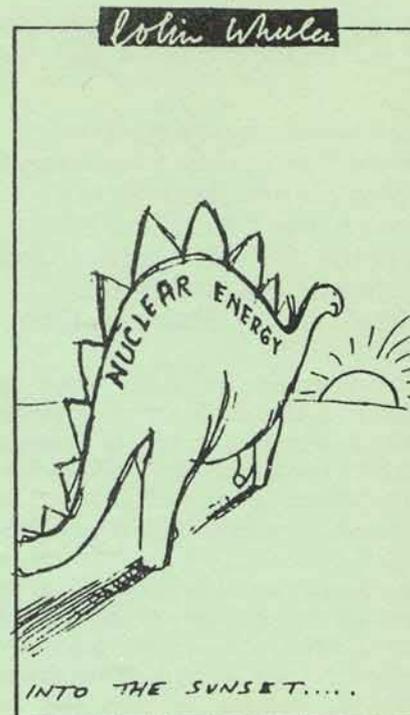
It seemed as though only Goliath

could speak on what was to become of Hinkley, the pet white elephant, ignoring the fact that David and his cohorts amongst the people had long since ceremoniously interred the beast.

"We regret asking for that time," Goliath's Lord continued, "but hope it is not unreasonable in the circumstances."

And so it came to pass that the Inspector adjourned the Inquiry for one week. The great victorious celebrations were not to happen after all.

But David's cohorts amongst the audience, of whom there were great numbers, walked out defiantly, slings and catapults at the ready.



From "The Independent"

The Things They Said

Tuesday November 21 (Day 176)

After days of speculation, the CEBG announces that it wants to proceed with the application. This is despite the arrival that morning of a letter from Christopher Wilcock of the Department of Energy (S.4876) in which he makes it clear that there will be no government finance for any nuclear power station until 1994 at the earliest.

Lord Silsoe argues that they don't need to show that Hinkley C will be built in order to go ahead with getting permission, and that permission would be useful for the new nuclear company. The government is also still committed to the "strategic role" of nuclear power.

He also says the Board doesn't want to introduce any new evidence, simply to finish its closing submissions on Topic 1, which covers the areas most obviously affected by the government's announcement.

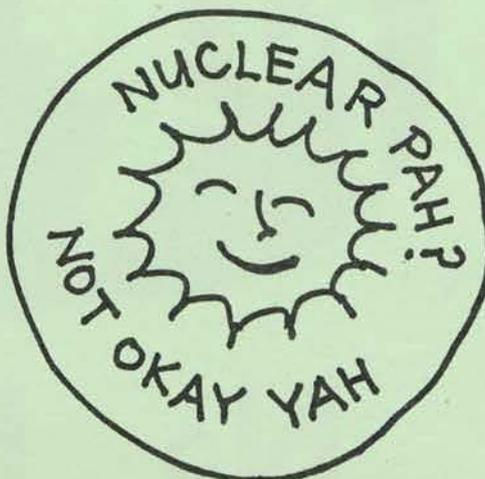
He adds, almost in passing, that the Board is withdrawing its applications for stations at Wylfa B and Sizewell C.

Jonathan Milner for COLA says that the Board's position is now "untenable", and that "any continuation would purely amount to a face-saving exercise". COLA therefore has no objection to the Board

continuing and the Inquiry winding up as soon as possible.

Crispin Aubrey (*Stop Hinkley Expansion*) applies for a week's adjournment for the objectors to have time to consider their position. "This is not the announcement we expected the CEBG to make today," he says.

The Inspector eventually decides, however, that he would allow the CEBG to continue its Topic 1 closing submissions on the following two days, and then hear from objectors on how the Inquiry should proceed on Friday November 24. The next *Inquirer* will report on the outcome of these representations.



Terry Mulvihill

... "if they (National Power) were to want to cancel Hinkley Point before it started, so to speak, that would be open to them to do. I think the possibility of that is fairly remote because if we were not going to build a family of PWRs then I think the investment in Sizewell B would become extremely doubtful in terms of commercial value."

Brian George, head of CEBG PWR programme, Day 13.

... "the Non Fossil Obligation will be set at a level which can be satisfied without the construction of new nuclear stations beyond Sizewell B."

From House of Commons statement by John Wakeham, Secretary of State for Energy, Nov. 9.

"The decision to reduce the PWR programme provided for under the non-fossil obligation has considerable implications for the development of nuclear power in Britain."

From press statement by John Baker, Chief Executive of National Power, Nov. 9.

Sizewell B Costs Rise 10%

The Inquiry restarted on November 7 (Day 172) with new evidence from Brian George, the CEGB's PWR Director (GEGB 7 Adds 7 & 8) on why he expected the capital cost of Sizewell B to rise by 10%.

The reasons he gave were increases in the costs of civil works (mainly concrete), in safety systems to satisfy the demands of the Nuclear Installations Inspectorate, and in control and instrumentation equipment.

In cash terms this could mean an increased expenditure on Sizewell B of about £169 million (1987 prices). A detailed review is still in progress. However, George assured the Inquiry that any carry-over of these increased costs to Hinkley C would be balanced out by savings from repeating the same design.

The main challenge to George's assessment was made by Robin Grove-White and Gordon Mackerron for the *Council for the Protection of Rural England* on Day 173. They predicted that the eventual cost of Sizewell B could be over £2 billion at current prices, and that Hinkley C would not be far behind.

No excuse

CPRE said it had predicted just this sort of escalation in costs at the Sizewell Inquiry, and was now proved right. This was because its estimates took account of the "wider economic, regulatory, social and political environment", including the effect of public attitudes, which the CEGB hadn't. The Sizewell Inspector, Sir Frank Layfield, had himself warned in 1987 that if the scheme went over budget, "this time there will be no excuse".

During cross-examination, Bill Hicks, CPRE's barrister, gained George's agreement that the only other country which could have already achieved cost savings by repeating PWRs was France, and George had no detailed evidence for this. Concluding the CPRE case, Hicks said that the CEGB had totally failed to take into account uncertainties and delays which could affect their cost projections.

Brian Parkin (*National Union of Mineworkers*) wanted to know why the CEGB had produced their new evidence at such a late stage of the Inquiry. George replied that "it was a matter of integrity". Since the "trig-

ger point" was reached after the close of the Inquiry it wouldn't have been right for the CEGB "to have figures that were different from those available here."

Steady increase

Parkin also wanted to know at what stage the 10% capital cost escalation had become apparent. "There has been a fairly steady increase from about June this year," George replied.

Jim Sweet (*NUM*) asked about the fact that Sizewell costs had escalated in the last six months "by as much as they did in the preceding seven years." George was confident, however, that "the cost to completion was now reasonably secure."

Colin Sweet (also *NUM*) asked George about replication from Sizewell to Hinkley. "Was it not true," he said, "that the CEGB were being unduly optimistic?" Consent for Sizewell B should have been given in 1983, "but as it turned out it was 1987." The experience of the inquiries at Windscale, Dounreay and Sizewell had shown "that the time taken before consent is given is substantially longer than the people in the industry ever expected." It might be 1994 before sanction is given to build Hinkley Point C. "Would that substantially change the argument about the economics of Hinkley being based on replication?"

Jobs on the line

George agreed that replication benefits would be diminished and costs would rise. He added that "the possibility of the programme going back worried him a lot." The hardware manufacture would have to be stopped, the design team changed and some people would lose their jobs.

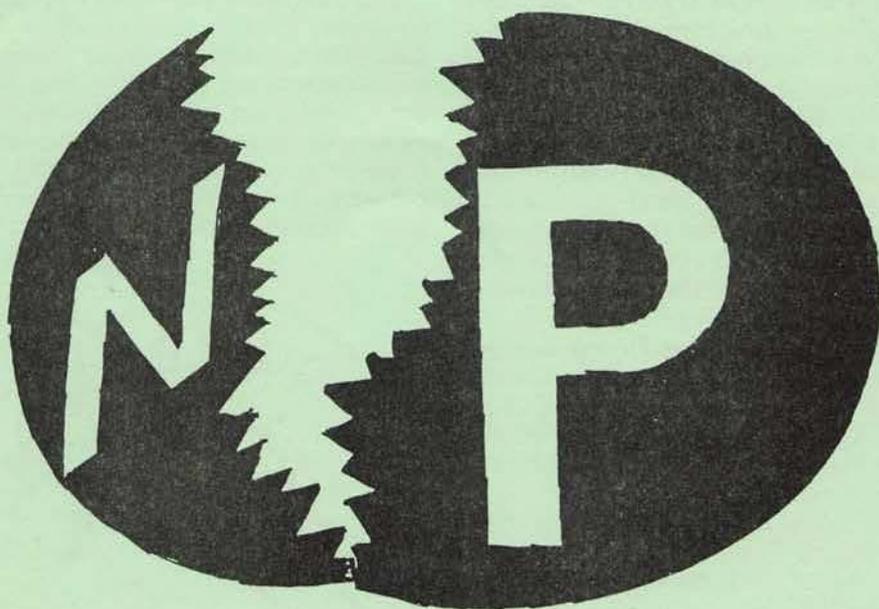
Crispin Aubrey (*Stop Hinkley Expansion*) told George that a company called Lakeland Power was planning to refurbish a complete 220MW power station for £120 million - less than the figure for Sizewell cost over-runs. George later agreed that the Board had made a "misjudgement" over the extra costs.

Commander Robert Green questioned George about the potential effect of recently-discovered problems with French PWR control rods on Sizewell B costs.

Further evidence on Sizewell capital costs was due to be heard on Day 174, when the Inquiry was adjourned (see separate report).

Final Visit

The Inspector is to visit the CEGB's Combwich Laboratories, which process the results of radiation checks round the power station, on Thursday November 30. He will also look at a suggested area for tree planting to screen the proposed Hinkley C. The visit starts from the Inquiry car park at 1.50 pm.



No

Pwrs

Terry
Mulvihill

Barnes Goes Walkabout

On October 9, Michael Barnes and a small party - including representatives from the CEGB National Power and objectors - visited several locations which have been discussed at the Inquiry.

The visit started off at the railway sidings in Bridgwater where spent nuclear fuel flasks are loaded. The sidings are about 100 yards from Eastover Primary School.



Michael Barnes
by Laura, age 7.

The group then moved on to Hawkers Farm, one of the proposed sites for a hostel of workers involved in construction of Hinkley C. The farm is just by the A38 main road on the north east side of Bridgwater.

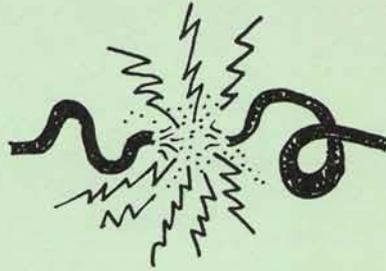
A second proposed hostel site at Claylands Corner, between Cannington and Hinkley Point, was the next place visited.

The next seven stops were to look at views of Hinkley Point from locations suggested by Miss Martin in evidence submitted by COLA.

The viewpoints visited were Gunter's Grove, then down across the

fields to the sea wall. The group then proceeded up towards the Quantock Hills, pausing at a point about 200 metres above sea level, near Over Stowey. Then on round to Walford's Gibbet, which is at about the same height. The visit concluded at a layby at Holford on the A39.

Short Circuit



Has Lord Silsoe got water on the brain? On Day 173, in the middle of a torrential downpour, drops of rain began to fall from the cupola of the Inquiry Hall right on top of the CEGB's leading counsel.

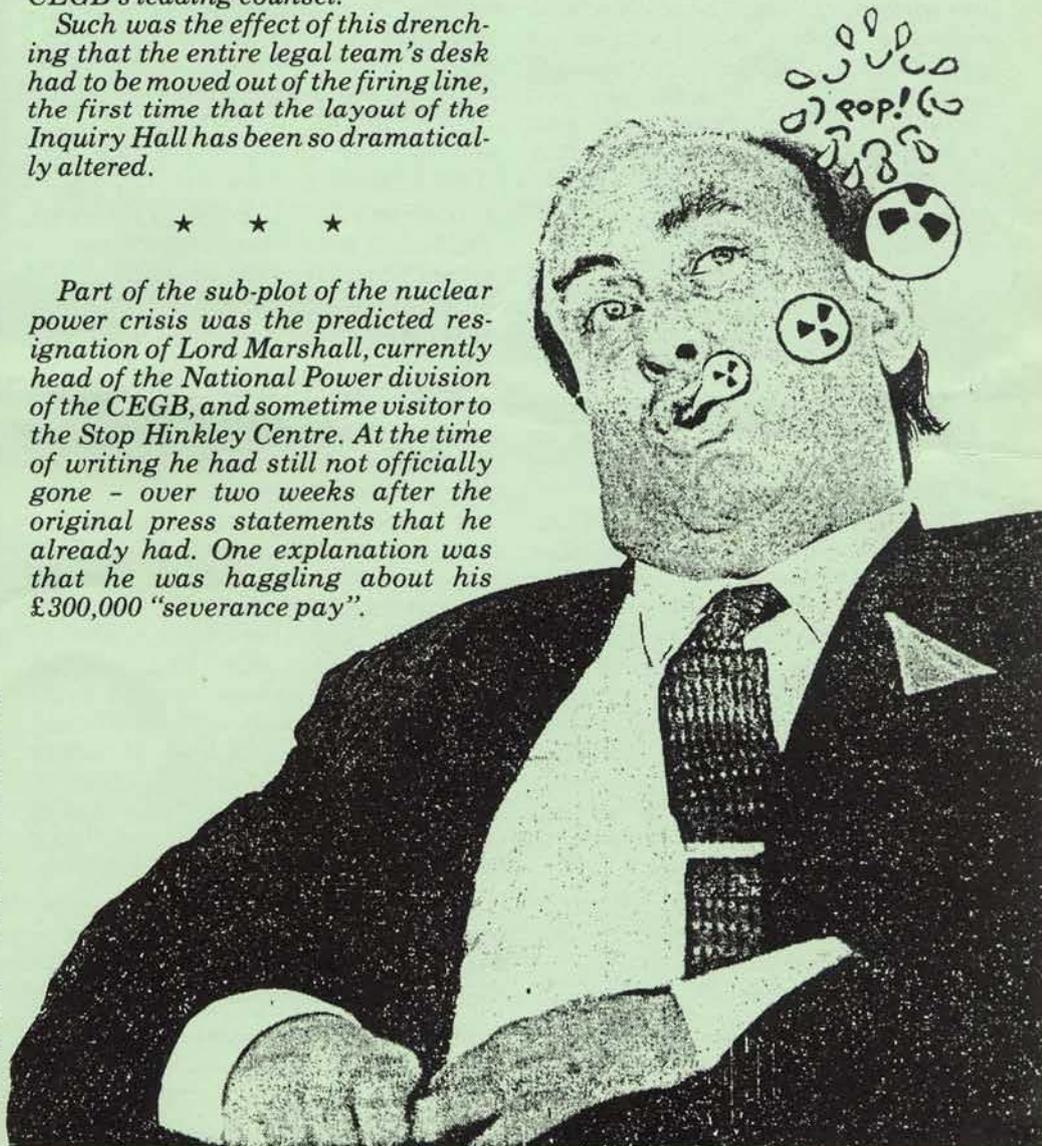
Such was the effect of this drenching that the entire legal team's desk had to be moved out of the firing line, the first time that the layout of the Inquiry Hall has been so dramatically altered.

Part of the sub-plot of the nuclear power crisis was the predicted resignation of Lord Marshall, currently head of the National Power division of the CEGB, and sometime visitor to the Stop Hinkley Centre. At the time of writing he had still not officially gone - over two weeks after the original press statements that he already had. One explanation was that he was haggling about his £300,000 "severance pay".

Some extremely odd crossed wires have meant that calls for Hinkley Point power station have been regularly coming through to the Stop Hinkley Centre number. The explanation comes from the fact that the local Taunton telephone director has twice running listed the number under "CEGB, Enquiry Point".

The result has been a series of embarrassed exchanges, a number with persistent debt collection agencies chasing up unpaid bills. Now we know how nuclear power gets itself in the red...

The Electrical Review trade magazine has done an interesting calculation. If only half the individual objectors spoke for just 15 minutes the Inquiry would sit for 85 weeks, and continue well into 1990. "As they say on Broadway, this one will run and run," it concludes, "and the main beneficiaries will be the CEGB's legal team."



News From Stop Hinkley Centre

The Inquiry resumed on November 7, after a five-and-a-half-week break, and was expected to be all over in a week. But as we all now know, this was not to be so! Brian George for CEBG/National Power read out his new evidence on Day 172, and was cross-examined by Dr. Little, Crispin Aubrey (SHE), Brian Parkin, Colin and Jim Sweet (NUM).

Cross-examination paused for a 10-minute interlude for Mr. Steel from the Department of Energy to let everyone know in no uncertain terms that the "leaked" Government document which appeared in several newspapers (not that he was going to admit to anyone that it was either accurate or inaccurate, or even if it existed or not, or was a leak... or even a document!) would never be allowed to be used in the Inquiry under any circumstances. After two-and-a-half pages of transcript, we got the message.

Cross-examination of Mr. George continued by Francis Stoner, Robert Green (for Don Arnott) and Mr. Jackson (RDSS), and into Day 173 by Brian Rome and CPRE, followed by cross-examination of Robin Grove-White and Gordon Mackerron of CPRE, and the closing submission by Mr. Hicks for CPRE.

The announcement by John Wakeham on November 9 produced another adjournment until the following Tuesday, when Lord Silsoe was due to make a statement on behalf of CEBG/National Power. Lord Silsoe's short statement requesting a further week's adjournment to consider their case produced the Inquiry's shortest week, lasting about 10 minutes! - This should have been programmed as "That Was The Week That Wasn't"!

The Stop Hinkley Centre was buzzing with confused objectors and speculating spectators, some having travelled from as far as Wales and London, hoping to hear the CEBG/NP withdraw their application.

The following Tuesday, November 21, produced another full house at the Inquiry Hall, with Lord Silsoe's announcement that the CEBG wished to proceed with their application. He has certainly perfected the art of drawing the crowds after fronting the CEBG for a year!

To date, the Inquiry is proceeding with the CEBG's revised closing submissions on Topic 1, and could possibly be all over soonish... or at least by the end of the century!

The Stop Hinkley Centre is still functioning normally (?), and will attempt to deal with any enquiries.

Joanna Balcombe

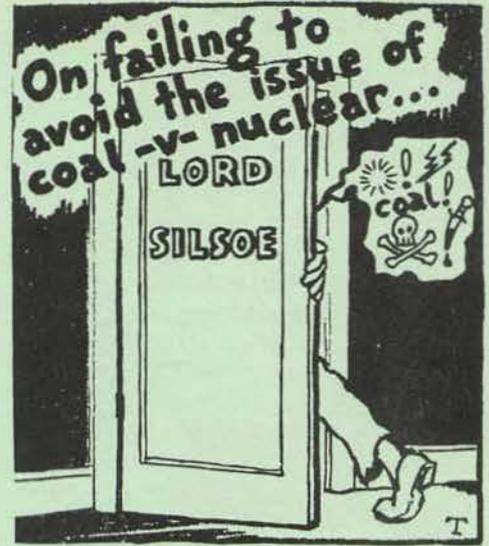
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Stop Press

The Inspector today (November 24, Day 179) rejected submissions from objectors that he should encourage the CEBG to withdraw its application after the government moratorium on new nuclear power stations.

No new evidence will be submitted either by objectors or the CEBG, and the Inspector hopes to conclude the Inquiry, after the Board has the final say, on Friday December 1.

A timetable is being drawn up for Week 48 (November 28 - December 1) which will start with the adjourned evidence on Sizewell capital costs and then continue with additional closing submissions from objectors responding to the revised situation. Anyone wishing to participate should immediately contact the Programme Officer, Keith Parker on 0278 652408.



Terry Mulvihill

Facilities For Objectors

It is unclear at the time of going to press quite when the Inquiry will end. However, the use of the Library and transport will be available as long as the Inquiry runs. Any enquiries should be made to the Secretariat.

The Hinkley Point C Public Inquiry Secretariat, Cannington Court, Church Street, Cannington, Bridgwater, Somerset TA5 2HA. Telephone: 0278 444005.

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