

TXU Power
Comanche Peak Steam
Electric Station
P. O. Box 1002 (E01)
Glen Rose, TX 76043
Tel: 254 897 5209
Fax: 254 897 6652
mike.blevins@txu.com

Mike Blevins
Senior Vice President &
Chief Nuclear Officer

CPSES-200502016
Log # TXX-05185

October 5, 2005

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

**SUBJECT: COMANCHE PEAK STEAM ELECTRIC STATION (CPSES)
DOCKET NOS. 50-445 AND 50-446
NOTIFICATION OF TRANSFER OF CORPORATE ASSETS**

**REF: NRC ADMINISTRATIVE LETTER 96-02: LICENSEE
RESPONSIBILITIES RELATED TO FINANCIAL QUALIFICATIONS**

Gentlemen:

The Operating Licenses for Comanche Peak Steam Electric Station Unit 1 (NPF-87) and Unit 2 (NPF-89), 50-455 and 50-446, were issued subject to the following condition stated in paragraph 2.C.(7) of each license:

“TXU Generation Company LP and its subsidiaries agree to provide the Director, Office of Nuclear Reactor Regulation, a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from TXU Generation Company LP or its subsidiaries to its proposed parent, or to any other affiliated company, facilities for the production of electric energy having a depreciated book value exceeding ten percent (10%) of such licensee’s consolidated net utility plant, as recorded on TXU Generation Company LP’s book of accounts.”

Although not required to be submitted, the purpose of this letter is to voluntarily inform the NRC of the transfer of certain generation assets from TXU Generation Company LP, the license holder for Comanche Peak Steam Electric Station (CPSES) Unit 1 (License No. NPF-87) and Unit 2 (License No. NPF-89).

TXU Energy Company LLC owns TXU Generation Company LP, which owns CPSES Units 1 and 2 and other generation assets. Two of those other assets are the Collin and Valley gas-fueled power plants. Through a series of corporate transactions in connection with a planning opportunity, TXU Generation Company LP has

TXX-05185

Page 2 of 2

distributed the Collin and Valley plants to its intermediate parent, TXU Energy Company LLC, which then contributed those assets to TXU Enterprise Holdings Company LLC, a newly formed wholly owned subsidiary.

The book value of the assets transferred is approximately \$40 million and represents a reduction in asset value for TXU Generation Company LP of approximately 0.45%. The reduction in estimated 2005 revenue for TXU Generation Company LP is approximately 0.18%. The reduction in total generating capacity for TXU Generation Company LP is approximately 7.13%.

Since the reduction in asset value, impact on estimated 2005 revenue, and reduction of total generating capacity are low, this transfer of assets will not impact TXU Generation Company LP's financial qualifications to safely operate and decommission CPSES Units 1 and 2. Nor do these transfers represent any implication for public health and safety.

This communication contains no new licensing basis commitments regarding CPSES Units 1 and 2.


Should you have any questions, please contact Mr. Robert A. Slough at 254-897-5727.

Sincerely,

TXU Generation Company LP

By: TXU Generation Management Company LLC
Its General Partner

Mike Blevins

By: 
Fred W. Madden
Director, Regulatory Affairs

RAS

c - B. S. Mallett, Region IV
M. C. Thadani, NRR
Resident Inspectors, CPSES