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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

September 10, 2007

Mr. M. R. Blevins  
Senior Vice President &  
Chief Nuclear Officer  
TXU Power  
Attn: Regulatory Affairs Department  
P. O. Box 1002  
Glen Rose, TX 76043

SUBJECT: COMANCHE PEAK STEAM ELECTRIC STATION, UNITS 1 AND 2 - ORDER  
APPROVING THE INDIRECT TRANSFER OF FACILITY OPERATING  
LICENSES, AND CONFORMING LICENSE AMENDMENTS (TAC NOS.  
MD5289 AND MD5290)

Dear Mr. Blevins:

By application dated April 18, 2007, as supplemented by letter dated July 20, 2007, TXU Generation Company LP (TXU Power), acting on behalf of Texas Energy Future Holdings Limited Partnership (Texas Energy LP) and itself, requested that the U.S. Nuclear Regulatory Commission (NRC), pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, consent to the proposed indirect transfer of control of TXU Power's licenses to possess and operate the Comanche Peak Steam Electric Station (CPSES), Units 1 and 2. TXU Corp., which indirectly owns 100 percent of TXU Power, and Texas Energy LP have entered into an agreement for Texas Energy LP to acquire all of the outstanding equity of TXU Corp. As part of this transaction, a new intermediate parent company, Luminant Holdco, will be inserted between TXU Corp. and TXU Power. Additionally, TXU Power will be converted to a limited liability company and will change its legal name from TXU Generation Company LP to Luminant Generation Company LLC. Therefore, pursuant to 10 CFR 50.90, TXU Power also requested that conforming license amendments to the CPSES, Unit 1 Operating License (NPF-87) and CPSES, Unit 2 Operating License (NPF-89) be approved to change the references to TXU Generation Company LP in the licenses to Luminant Generation Company LLC.

Under the name of Luminant Generation Company LLC, TXU Power will continue to own and operate CPSES. Through the acquisition of TXU Corp. by Texas Energy LP, TXU Power will become part of a privately held enterprise.

The enclosed Order (Enclosure 1) approves the proposed indirect transfer of control of TXU Power licenses to possess and operate the CPSES that will result from Texas Energy LP's

**NOTICE:** Enclosure 4 contains Proprietary Information. Upon separation from Enclosure 4, this letter and Enclosures 1, 2, and 3 are DECONTROLLED.

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M. R. Blevins

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acquisition of TXU Corp. and establishment of Luminant Holdco. The Order also approves conforming license amendments (Enclosure 2), which will be issued and made effective at the time the transfer is completed.

Enclosures 3 and 4 contain proprietary and non-proprietary versions of the NRC staff's safety evaluation related to this action. The non-proprietary version of the safety evaluation will be placed in the NRC public document room and added to the Agencywide Documents Access and Management System's Publicly Available Records System (ADAMS PARS) Library. The Order is being forwarded to the Office of the Federal Register for publication. If you have any questions, please contact me at (301) 415-1476 or [mct@nrc.gov](mailto:mct@nrc.gov).

Sincerely,

*Mohan C. Thadani*

Mohan C. Thadani, Senior Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-445 and 50-446

Enclosures: 1. Order  
2. Amendments  
3. Safety Evaluation (Non-proprietary)  
4. Safety Evaluation (Proprietary)

cc w/o encl 4: See next page

*mmj*

Comanche Peak Steam Electric Station

cc w/o encl 4:

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ENCLOSURE 1

ORDER APPROVING

INDIRECT TRANSFER OF LICENSES

AND CONFORMING AMENDMENTS

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

|  |   |                                |
|--|---|--------------------------------|
| In the Matter of                       | ) |                                |
|  | ) |                                |
| TXU GENERATION COMPANY LP              | ) | Docket Nos. 50-445 and 50-446  |
|  | ) |                                |
| (Comanche Peak Steam Electric Station, | ) | License Nos. NPF-87 and NPF-89 |
| Units 1 and 2)                         | ) |                                |

ORDER APPROVING INDIRECT TRANSFER OF FACILITY  
OPERATING LICENSES AND CONFORMING AMENDMENTS

I.

TXU Generation Company LP is the holder of Facility Operating Licenses numbered NPF-87 and NPF-89, which authorize operation of Comanche Peak Steam Electric Station, Units 1 and 2 (CPSES). The facilities are located at the licensee's site in Somervell County, Texas. The Operating Licenses authorize TXU Generation Company LP to possess, use and operate CPSES.

II.

By application dated April 18, 2007, as supplemented by letter dated July 20, 2007, TXU Generation Company LP (TXU Power), acting on behalf of Texas Energy Future Holdings Limited Partnership (Texas Energy LP) and itself, requested that the U.S. Nuclear Regulatory Commission (NRC), pursuant to Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), consent to the proposed indirect transfer of control of TXU Power's licenses to possess, use, and operate CPSES. TXU Corp., which indirectly owns 100 percent of TXU Power, and Texas Energy LP have entered into an agreement for Texas Energy LP to acquire all of the outstanding equity of TXU Corp. As part of the transaction, a new company, Luminant

Holdco, will be established as an intermediate parent of TXU Power and indirect subsidiary of TXU Corp. At the time of the acquisition, TXU Power will be converted from a limited partnership to a limited liability company, but will continue in existence through the conversion and will continue to hold the licenses. Thus, there will be no direct transfer of the licenses. The application also states that TXU Power, i.e., TXU Generation Company LP, will be renamed as Luminant Generation Company LLC. Therefore, pursuant to 10 CFR 50.90, TXU Power also requested approval of conforming license amendments to the CPSES, Unit 1 Operating License (NPF-87) and CPSES, Unit 2 Operating License (NPF-89) to reflect the name change from TXU Generation Company LP to Luminant Generation Company LLC.

Under the name of Luminant Generation Company LLC, TXU Power will continue to own and operate CPSES. Through the acquisition of TXU Corp. by Texas Energy LP, TXU Power will become part of an enterprise controlled and held by private equity investors.

Notice of the requests for approval and an opportunity for a hearing was published in the *Federal Register* on June 13, 2007 (72 FR 32685). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application as supplemented and other information before the Commission, and relying upon the representations and agreements in the application as supplemented, the NRC staff concludes that the proposed indirect transfer of control of TXU Power as described herein will not affect the qualifications of TXU Power as holder of the CPSES licenses, and that the indirect transfer of control of the licenses, to the extent effected by the proposed transaction described in the application, is

otherwise consistent with the applicable provisions of laws, regulations, and orders issued by the NRC pursuant thereto, subject to the conditions described herein.

The findings set forth above are supported by a safety evaluation dated September 10, 2007.

### III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect license transfers related to the proposed acquisition is approved, subject to the following conditions:

- (1) TXU Power shall enter into the \$250 million support agreement with Luminant Investment Company LLC, as described in the application, no later than the time the proposed transactions and indirect license transfers occur. TXU Power, whether or not converted to a limited liability company and/or renamed, shall take no action to cause Luminant Investment Company LLC, or its successors and assigns, to void, cancel, or modify the support agreement or cause it to fail to perform, or impair its performance under the support agreement, without the prior written consent of the NRC. The support agreement may not be amended or modified without 30 days prior written notice to the Director of the Office of Nuclear Reactor Regulation or his designee. An executed copy of the support agreement shall be submitted to the NRC no later than 30 days after the completion of the proposed transactions and the indirect license transfers. TXU Power,

whether or not converted to a limited liability company and/or renamed, shall inform the NRC in writing anytime it draws upon the support agreement.

- (2) Following the subject indirect transfer of control of the licenses, all of the officers of the general partner or controlling member of the licensee of CPSES shall be U.S. citizens. This condition may be amended upon application by the licensee and approval by the Director of the Office of Nuclear Reactor Regulation.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), license amendments that make changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the licenses to reflect the change in the name of the licensee occurring in connection with the proposed acquisition of TXU Corp., and to reflect certain conditions of this order, are approved. The amendments shall be issued and made effective at the time the proposed acquisition and name change are completed.

IT IS FURTHER ORDERED that TXU Power shall inform the Director of the Office of Nuclear Reactor Regulation in writing of the date of the closing of the acquisition of TXU Corp., establishment of Luminant Holdco, and change in name of TXU Power no later than 5 business days prior to such actions. Should the indirect transfer of control of TXU Power not be completed by July 10, 2008, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by order.

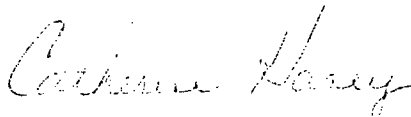
This Order is effective upon issuance.



For further details with respect to this Order, see the application dated April 18, 2007, and supplemental letter dated July 20, 2007, and the safety evaluation dated September 10, 2007, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland and accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail to [pdr@nrc.gov](mailto:pdr@nrc.gov).

Dated at Rockville, Maryland this 10th day of September , 2007.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, appearing to read "Catherine Haney".

Catherine Haney, Director  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

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M. R. Blevins

-2-

September 10, 2007

acquisition of TXU Corp. and establishment of Luminant Holdco. The Order also approves conforming license amendments (Enclosure 2), which will be issued and made effective at the time the transfer is completed.

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Sincerely,

/RA/

Mohan C. Thadani, Senior Project Manager  
Plant Licensing Branch IV  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-445 and 50-446

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cc w/o encl 4: See next page

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**ADAMS Accession Nos.**      **Package ML072210856** [Letter and Order ML072210834  
   **ML072530040**      Enclosure 2 ML072220128, and Enclosure 3 ML072220130]  
   **Encl. 2 Pt. B**      Enclosure 4 (Proprietary SE) ML072220081

\*\*See previous concurrence

\*No significant change in SE input

|        |             |             |               |              |             |             |         |
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