



TXU Electric
Comanche Peak
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Senior Vice President & Principal Nuclear Officer

CPSES-200101830
Log # TXX-01135
File # 236

Ref. # 10CFR50.80
10CFR50.92

August 15, 2001

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

SUBJECT: COMANCHE PEAK STEAM ELECTRIC STATION
DOCKET NOS. 50-445 AND 50-446
REVISION TO APPLICATION FOR ORDER AND CONFORMING
ADMINISTRATIVE AMENDMENTS FOR TRANSFER OF
LICENSES

REF: TXU Electric letter logged TXX-01099 from C. L Terry to NRC
"Application For Order and Conforming Administrative Amendments
For Transfer Of Licenses", dated June 19, 2001

Gentlemen:

In the Application submitted with the referenced letter, TXU Electric Company ("TXU Electric") requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended ("Act"), and 10 CFR § 50.80, that the Nuclear Regulatory Commission ("NRC") consent to the direct transfer of control of TXU Electric's operating authority and 100% ownership interest in the Comanche Peak Steam Electric Station, Units 1 and 2 ("CPSES") on January 1, 2002, to a Texas limited partnership, TXU Genco, TLP. TXU Electric also requested that the NRC issue the required conforming administrative amendments to the CPSES licenses. The purpose of this letter is to describe a revision to that Application and revision to the financial statements submitted with the Application.

The revision submitted herein is described in the following enclosures: Enclosure 1 is an Affidavit of Roger D. Walker which describes, on behalf of TXU Electric, a request that Enclosures 3 and 4 be withheld from public disclosure pursuant to 10 CFR § 2.790 because Enclosures 3 and 4 contain confidential commercial or financial information which is considered proprietary. Enclosure 2 provides a non-

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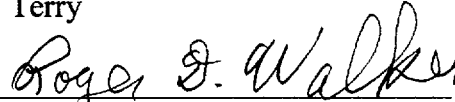
proprietary version of the revised financial statements suitable for public disclosure. Enclosure 3 describes the revision to the Application. Enclosure 4 provides the revised financial statements incorporating this revision. The confidential Addendum to this letter contains proprietary Enclosures 3 and 4.

The remainder of the Application is unchanged, and the original "Safety Analysis" (Attachment 1 of the Application) which includes the "No Significant Hazards" evaluation remains valid.

If NRC requires additional information concerning this license transfer request, please contact Roger D. Walker at TXU Electric, Comanche Peak Steam Electric Station, Post Office Box 1002, A08, Glen Rose, Texas 76043 (Tel: 254-897-8233; fax 254-897-6573; e-mail: rwalker5@txu.com). Service on TXU Electric of comments, hearing requests or intervention petitions, or other pleadings, if applicable, should be made to George L. Edgar at Morgan, Lewis and Bockius, LLP, 1800 M Street, NW, Washington, DC 20036-5869 (Tel: 202-467-7459; fax 202-467-7176; e-mail: gedgar@morganlewis.com).

Sincerely,

C. L. Terry

By: 

Roger D. Walker
Regulatory Affairs Manager


CLW/clw
Enclosures

cc: E. W. Merschoff, Region IV (1 copy)
J. A. Clark, Region IV (CLetter & Encs 1 and 2 w/o Enclosures 3 and 4)
D. H. Jaffe, NRR (4 copies)
Resident Inspectors, CPSES (CLetter & Encs 1 and 2 w/o Enclosures 3 and 4)

Mr. Arthur C. Tate (CLetter & Encs 1 and 2 w/o Enclosures 3 and 4)
Division of Compliance and Inspection
Bureau of Radiation Control
Texas Department of Public Health
1100 West 49th Street
Austin, Texas 78704

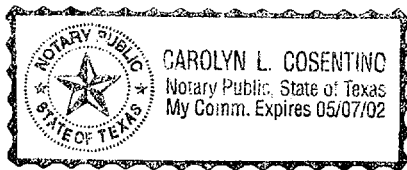
AFFIRMATION

I, Roger D. Walker, being duly sworn, state that I am Regulatory Affairs Manager at TXU Electric Company ("TXU Electric"), that I am authorized to sign and file this revision to the Application with the Nuclear Regulatory Commission on behalf of TXU Electric, and that the statements made and the matters set forth herein are true and correct to the best of my knowledge and belief.


Roger D. Walker
Regulatory Affairs Manager

STATE OF TEXAS)
COUNTY OF *Johnson*)

Subscribed and sworn to before me, a Notary Public, in and for the County and State above named, this 15th day of August, 2001.



Carolyn L Cosentino

LIST OF ENCLOSURES

- | | |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enclosure 1 | 10 CFR § 2.790 Affidavit of Roger D. Walker |
| Enclosure 2 | Projected Income Statement and Projected Opening Balance Sheet of TXU Genco, TLP's Anticipated Assets, Liabilities and Capital Structure at Closing (Non-Proprietary Version) (Revised Attachment 6 to the Application) |
| Proprietary Addendum | |
| Enclosure 3 | Description of Revision to the Application |
| Enclosure 4 | Projected Income Statement and Projected Opening Balance Sheet of TXU Genco, TLP's Anticipated Assets, Liabilities and Capital Structure at Closing (Proprietary Version) (Revised Attachment 6A to the Application) |

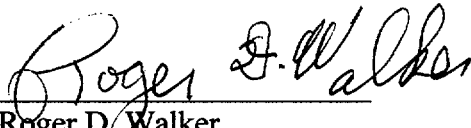
ENCLOSURE 1

10 CFR 2.790 AFFIDAVIT OF ROGER D. WALKER

AFFIDAVIT OF ROGER D. WALKER

I, Roger D. Walker, Regulatory Affairs Manager at TXU Electric Company ("TXU Electric"), do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of TXU Electric.
2. TXU Electric is providing information in support of its Application for Order Consenting to License Transfers and Approving Conforming Administrative License Amendments. The documents being provided in Enclosures 3 and 4 contain business plans and financial projections related to the ownership and operation of TXU Electric's generation assets, including the Comanche Peak Steam Electric Station, Units 1 and 2 ("CPSES"). These documents constitute proprietary commercial and financial information that should be held in confidence by the NRC pursuant to the policy reflected in 10 CFR §§ 2.790(a)(4) and 9.17(a)(4), because:
 - i. This information is and has been held in confidence by TXU Electric.
 - ii. This information is of a type that is held in confidence by TXU Electric and there is a rational basis for doing so because the information contains sensitive financial information concerning the projected revenues and operating expenses of TXU Electric and its successors and affiliates.
 - iii. This information is being transmitted to the NRC in confidence.
 - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - v. Public disclosure of this information would create substantial harm to the competitive position of TXU Electric and its successors and affiliates by disclosing their internal financial projects.
3. Accordingly, TXU Electric requests that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10 CFR §§ 2.790(a)(4) and 9.17(a)(4).



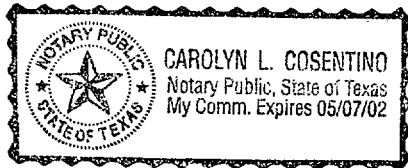
Roger D. Walker
Regulatory Affairs Manager

STATE OF TEXAS

COUNTY OF *Johnson*

)
)
)

Subscribed and sworn to before me, a Notary Public, in and for the County and State
above named, this 15th day of August, 2001.



Carolyn L Cosentino

ENCLOSURE 2

**PROJECTED INCOME STATEMENT AND PROJECTED OPENING
BALANCE SHEET OF TXU GENCO, TLP's ANTICIPATED ASSETS,
LIABILITIES AND CAPITAL STRUCTURE AT CLOSING
(NON-PROPRIETARY VERSION)**

(REVISED ATTACHMENT 6 TO THE APPLICATION)

Attachment 6 (Revised) (Page 1 of 4)
Projected Income Statement and Projected Opening Balance Sheet of
TXU Genco, TLP's Anticipated Assets, Liabilities and Capital Structure at Closing

TXU GENCO, TLP
Key Assumptions

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|-------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Power Sold (GWh) | | | | | |
| Volume Weighted Wholesale Power Price Deterministic w/o ancillary services | | | | | |
| Fuel Costs (\$/MMBtu) Gas (Henry Hub Delivered Burner Tip) | | | | | |
| Capacity Factor for Comanche Peak SES | | | | | |

Attachment 6 (Revised) (Page 2 of 4)
 Projected Income Statement and Projected Opening Balance Sheet of
 TXU Genco, TLP's Anticipated Assets, Liabilities and Capital Structure at Closing

TXU GENCO, TLP
Net Income
(\$ Millions)

| | Forecast | | | | |
|--------------------------|-----------------|-------------|-------------|-------------|-------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| Revenue (\$M): | | | | | |
| Power | | | | | |
| Ancillary Services | | | | | |
| Other | | | | | |
| Total Revenue | | | | | |
| Expenses (\$M): | | | | | |
| Fuel | | | | | |
| Ancillary Services | | | | | |
| Operations & Maintenance | | | | | |
| Taxes Other Than Income | | | | | |
| Depreciation | | | | | |
| Decommissioning | | | | | |
| Total Expenses | | | | | |
| EBIT | | | | | |
| Interest Expense | | | | | |
| Income Tax (35%) | | | | | |
| Net Income | | | | | |

Attachment 6 (Revised) (Page 3 of 4)
 Projected Income Statement and Projected Opening Balance Sheet of
 TXU Genco, TLP's Anticipated Assets, Liabilities and Capital Structure at Closing

TXU GENCO, TLP
Balance Sheet
As of January 1, 2002
(\$ Millions)

| | <u>1/1/2002</u> | | <u>1/1/2002</u> |
|----------------------------------------------------|-----------------|---------------------------------------------------|-----------------|
| ASSETS | | CAPITALIZATION AND LIABILITIES | |
| UTILITY PLANT | | CAPITALIZATION | |
| Gross Plant | | Membership Interest | |
| Less accumulated depreciation | | Advances from Parent | |
| Net Plant | | Total capitalization | |
| INVESTMENTS | | CURRENT LIABILITIES | |
| Decommissioning Fund | | Accounts payable - trade | |
| Other Property and Investments | | Accounts payable to affiliated companies | |
| Total investments | | Taxes accrued | |
| CURRENT ASSETS | | Other | |
| Cash and Equivalents | | Total current liabilities | |
| Accounts receivable - net of allow. for uncollect. | | | |
| Inventories | | DEFERRED CREDITS AND OTHER | |
| Other Current Assets | | NONCURRENT LIABILITIES | |
| Total current assets | | Accumulated deferred income taxes | |
| DEFERRED DEBITS AND OTHER | | Unamortized federal investment tax credits | |
| NONCURRENT ASSETS | | Other | |
| Other | | Total defer. credits and other noncur liabilities | |
| Total deferred assets | | Total capitalization and liabilities | |
| Total assets | | | |

Attachment 6 (Revised) (Page 4 of 4)
 Projected Income Statement and Projected Opening Balance Sheet of
 TXU Genco, TLP's Anticipated Assets, Liabilities and Capital Structure at Closing

COMANCHE PEAK STEAM ELECTRIC STATION
Operations and Maintenance Expense
(\$ Millions)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
|-------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Labor and Benefits | | | | | |
| Contractors / Outside Services | | | | | |
| Materials | | | | | |
| Outage | | | | | |
| Shared Services / Corporate Directs | | | | | |
| Other | | | | | |
| Operations and Maintenance Expense | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

COMANCHE PEAK STEAM ELECTRIC STATION
Base O&M Estimate
(\$ Millions)

Base O&M expense for 6-months per unit