



TXU Electric
Comanche Peak
Steam Electric Station
P.O. Box 1002
Glen Rose, TX 76043
Tel: 254 897 8920
Fax: 254 897 6652
lterry1@txu.com

C. Lance Terry
Senior Vice President & Principal Nuclear Officer

CPSES-200103060
Log # TXX-01210
File # 236

Ref. # 10CFR50.80
10CFR50.92

December 17, 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
ADDITIONAL INFORMATION CONCERNING APPLICATION
FOR ORDER AND CONFORMING ADMINISTRATIVE
AMENDMENTS FOR TRANSFER OF LICENSES

- REF: (1)** 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
- (2)** TXU Electric letter logged TXX-01193 from C. L. Terry to NRC
dated November 20, 2001

Gentlemen:

The purpose of this letter is to provide additional information to the NRC Staff in support of TXU Electric Company's ("TXU Electric's") Application as previously submitted (Reference 1).

In the Application, TXU Electric requested 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. The name of the new TXU company entity (new licensee) had not been determined at the time of submittal of the Application, but was later identified as "TXU Generation Company LP" (Reference 2).

This letter provides additional information related to the Application and organization of TXU Generation Company LP within the TXU corporate organization. Information provided herein is as follows: (1) updated corporate organizational diagram for TXU

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Generation Company LP; (2) clarification statement concerning Application Section IV. - Foreign Ownership or Control; (2.a and 2.b) names/titles of affiliated company senior management executives; (3) effective date required for transfer of the CPSES operating licenses; (4) a statement of other approvals required with regard to the effective date of TXU Generation Company LP; (5) description and organizational chart for the CPSES Nuclear Overview function; and (6) evidence of transfer of TXU Electric's interest in nuclear insurance for CPSES to TXU Generation Company LP. This information is provided in Attachment 1.

The Application is otherwise unchanged by this submittal. 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 Mr. Roger D. Walker at (254) 897-8233.

This communication contains the following new commitment which will be completed as noted: [ACL-01-101 Provide senior management executives for TXU Generation Investment Company LLC by January 15, 2002]

I state under penalty of perjury that the foregoing is true and correct.

Executed on December 17, 2001.

Sincerely,

C. L. Terry

By:


Roger D. Walker

Regulatory Affairs Manager

CLW/clw

Attachment

cc: E. W. Merschoff, Region IV
C. Johnson, Region IV
D. H. Jaffe, NRR (4 copies)
Resident Inspectors, CPSES

Mr. Arthur C. Tate
Division of Compliance and Inspection
Bureau of Radiation Control
Texas Department of Public Health
1100 West 49th Street
Austin, Texas 78704

Additional Information Concerning Transfer of CPSES Operating
Licenses from TXU Electric to TXU Generation Company LP

Additional Information is provided as follows:

1. Updated Simplified Organizational Diagram for TXU Generation Company LP

(See Figure 1)
2. Clarification Statement Concerning Application Section IV. - Foreign Ownership or Control

The Board of Directors of TXU Corp. includes ten members, nine of whom - including the Chairman and Chief Executive, Mr. Erle Nye - are citizens of the United States. Among the principal executives of TXU Corp., Mr. Brian Dickie, Executive Vice President, is not a citizen of the United States.¹ Mr. Dickie reports to the TXU Board through senior officers, including Mr. Nye. Accordingly, TXU Corp. is not subject to foreign ownership or control. TXU Generation Company LP, the licensee, will be an indirect, wholly owned subsidiary of TXU Corp.

A majority of each of the boards of directors or managers of each of the intermediate holding companies between TXU Corp. and TXU Generation Company LP, including the Chairman of the Board and Chief Executive of each, will be citizens of the United States. These individuals are drawn from the boards of directors or officers of TXU Corp. or its subsidiaries.

The Managers of TXU Generation Management Company LLC, which will be the General Partner of TXU Generation Company LP and will manage its affairs, are drawn from the boards of directors or officers of TXU Corp. or its subsidiaries. A majority of those Managers,² including the Chief Executive and Chairman of the Board, Mr. Nye, are citizens of the United States. The principal officers of TXU Generation Management Company LLC, who are also drawn from TXU Corp. or its subsidiaries, are citizens of the United States. Therefore, TXU Generation Company LP will not be subject to foreign ownership or control.

¹ Mr. Dickie is a citizen of the United Kingdom.

² Mr. Philip G. Turberville, a Manager of TXU Generation Management Company LLC, is also an officer and director of one or more of TXU's European subsidiaries. Mr. Turberville is a citizen of the United Kingdom.

2.a. Name, Title and Mailing Address of Principal Senior Executive of TXU Generation Company LP

Mr. Erle Nye
Chairman of the Board and Chief Executive
TXU Generation Management Company LLC
Energy Plaza
1601 Bryan Street
Dallas, Texas

2.b. Names of Members of Senior Executive Management of TXU Companys Affiliated With TXU Generation Company LP

TXU US Holdings Company

| | |
|-----------------------|---|
| Erle Nye | Chairman of the Board and Chief Executive |
| H. Jarrell Gibbs | President |
| Michael J. McNally | Executive Vice President |
| Kirk R. Oliver | Treasurer and Assistant Secretary |
| Biggs C. Porter | Controller |
| Diane J. Kubin | Secretary and Assistant Treasurer |
| Laura Conn | Assistant Treasurer |
| John F. Stephens, Jr. | Assistant Secretary |

TXU Energy Company LLC

| | |
|-----------------------|---|
| Erle Nye | Chairman of the Board and Chief Executive |
| Brian N. Dickie | President |
| Ellen M. Beatty | Vice President |
| Kirk R. Oliver | Treasurer and Assistant Secretary |
| Biggs C. Porter | Controller |
| Diane J. Kubin | Secretary and Assistant Treasurer |
| Laura Conn | Assistant Treasurer |
| John F. Stephens, Jr. | Assistant Secretary |

TXU Generation Holdings Company LLC

| | |
|-----------------------|---|
| Erle Nye | Chairman of the Board and Chief Executive |
| Brian N. Dickie | Vice Chairman |
| W. M. Taylor | President |
| Kirk R. Oliver | Treasurer and Assistant Secretary |
| Biggs C. Porter | Controller |
| Diane J. Kubin | Secretary and Assistant Treasurer |
| Laura Conn | Assistant Treasurer |
| John F. Stephens, Jr. | Assistant Secretary |

TXU Generation Management Company LLC

| | |
|-----------------------|---|
| Erle Nye | Chairman of the Board and Chief Executive |
| Brian N. Dickie | Vice Chairman |
| W. M. Taylor | President |
| Ronald B. Seidel | Senior Vice President |
| C. Lance Terry | Senior Vice President and Principal Nuclear Officer |
| Michael R. Blevins | Vice President |
| Richard R. Federwisch | Vice President |
| James J. Kelly, Jr. | Vice President |
| Kirk R. Oliver | Treasurer and Assistant Secretary |
| Biggs C. Porter | Controller |
| Diane J Kubin | Secretary and Assistant Treasurer |
| Laura Conn | Assistant Treasurer |
| John F. Stephens, Jr. | Assistant Secretary |

TXU Generation Investment Company LLC

(To be provided later)

TXU Generation Company LP

This is a Limited Partnership that is managed by and acts through its General Partner, TXU Generation Management Company LLC; therefore this company has no officers. The officers of the General Partner act on its behalf.

3. Effective Date Required for Transfer of CPSES Operating Licenses

Effective Date is January 1, 2002.

4. Statement of Other Approvals Required Regarding Effective Date of TXU Generation Company LP

Except for approval of the NRC, TXU Electric has received all other approvals required and requires no other formal approvals prior to January 1, 2002.

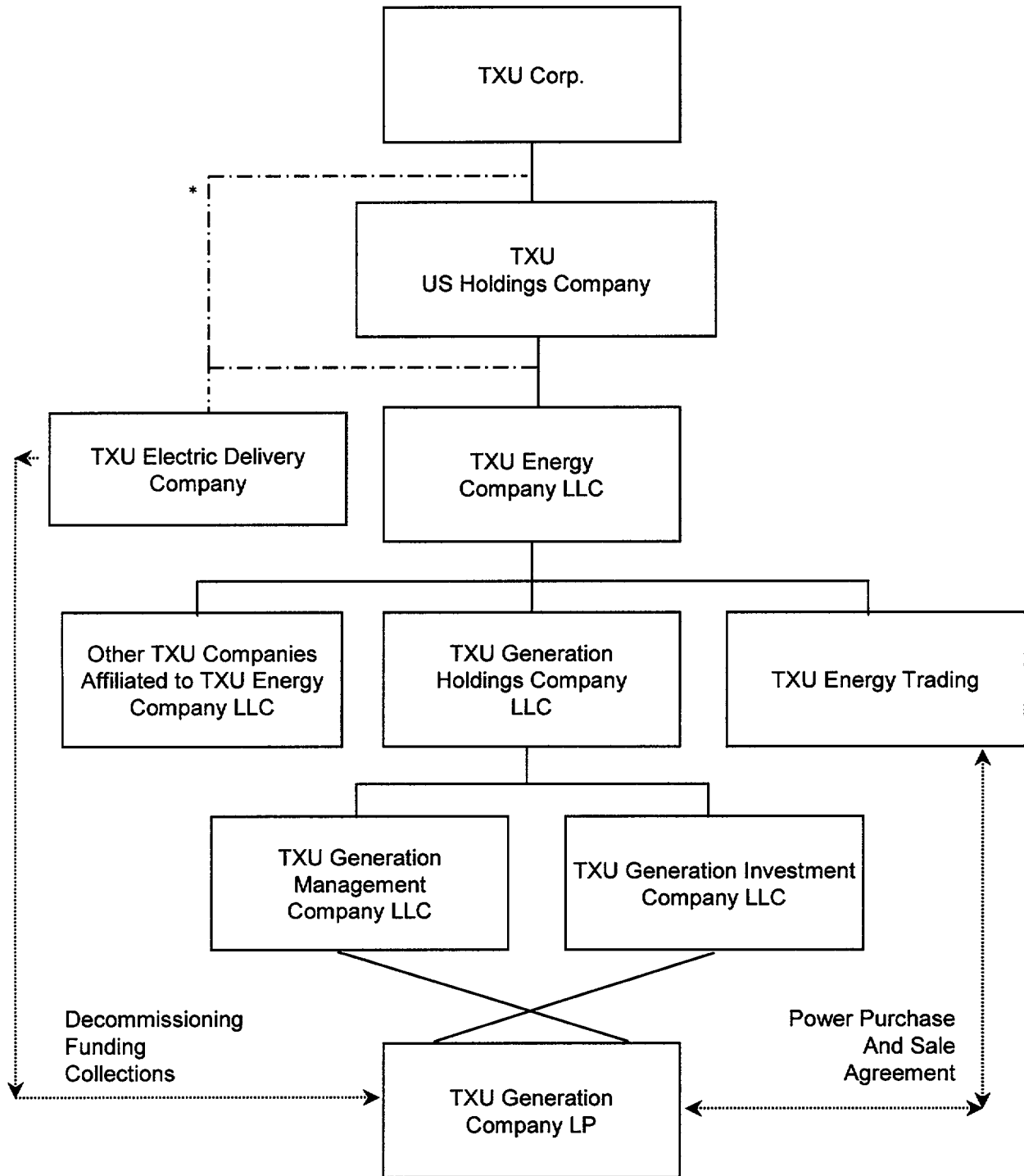
5. Description & Organization Chart for CPSES Nuclear Overview Function

The organization of the CPSES Nuclear Overview Function is shown in Figure 2. This figure shows the management structure and reporting relationships for CPSES, Units 1 and 2. In addition, the figure indicates that an independent review and audit function will be provided by the Nuclear Overview Manager who reports to the Senior Vice President & Principal Nuclear Officer via the Vice President and Deputy to the Senior Vice President & Principal Nuclear Officer.

6. Evidence of Transfer of TXU Electric's Interest in Nuclear Insurance for CPSES to TXU Generation Company LP

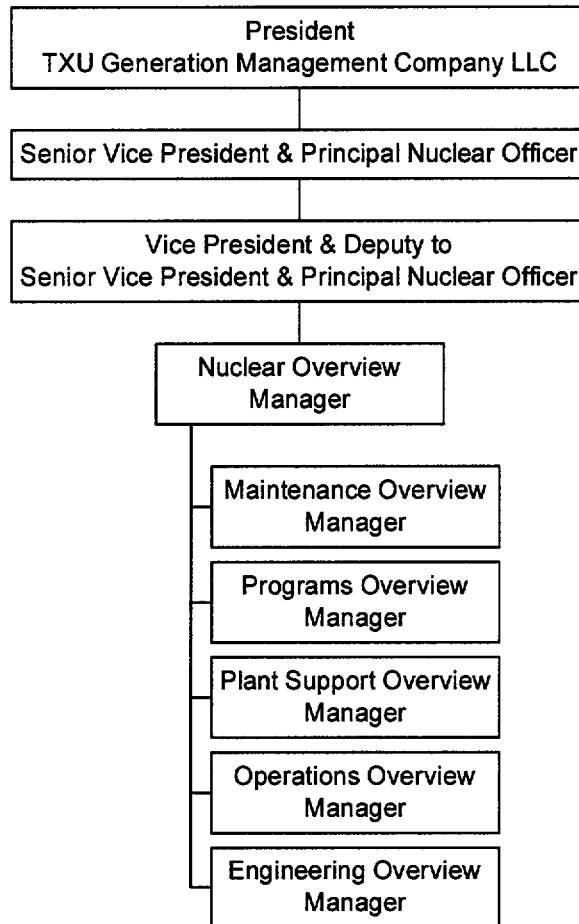
Enclosure 1 to this attachment provides copies of letters which serve as evidence of the transfer of TXU Electric's interest in nuclear insurance for CPSES to TXU Generation Company LP. The letters enclosed are as follows: (1) letters dated November 15 and December 14, 2001, from the Nuclear Electric Insurance Limited (NEIL) to TXU confirming NEIL's approval of transfer of TXU Electric's NEIL Membership for CPSES; (2) letter dated December 3, 2001, from TXU to NEIL identifying TXU Generation Company LP as the new owner/operator of CPSES effective January 1, 2002; (3) letter dated December 14, 2001, from the American Nuclear Insurers (ANI) to the NRC confirming that ANI will make appropriate changes to the nuclear liability insurance program for CPSES.

FIGURE 1,
Simplified Organizational Diagram for
TXU Generation Company LP



* Note: TXU Electric Delivery Company may be a subsidiary of either TXU Corp. or TXU US Holdings Company

Figure 2
Organization of CPSES Nuclear Overview
(Independent Review & Audit Function)



Enclosure 1



NEI

Nuclear Electric Insurance Limited
1200
Street
DE 19801

Suite
1201 Market
Wilmington,
U.S.A.
Peter E.
Counsel

Cavanaugh

November 15, 2001

T. Michael Williams
Manager – Risk Assessment
TXU Corporation
Energy Plaza, 1601 Bryan Street
Dallas, TX 75201-3411

Re: Transfer of TXU Electric Company's NEIL Membership

Dear Michael:

As requested, this confirms that the NEIL Board of Directors approved TXU's request that TXU Electric Company's Membership interest be transferred to a yet unnamed, wholly owned subsidiary of TXU Corp. The Resolution approved by the Board was as follows:

RESOLVED, that in connection with the transfer of TXU Electric Company's interests in the Comanche Peak Station to a new, as yet unnamed, indirect wholly owned subsidiary of TXU Corp., the Company will recognize the new subsidiary designated by TXU Corp. as the successor to the NEIL Membership of TXU Electric Company. Said transfer will take effect upon notice from TXU that the NRC has authorized the transfer of the owner/operator license for the plant and that the actual transfer has taken place.

Please provide the name of the subsidiary as soon as possible, along with the expected transfer date so we can make the appropriate changes in time for the actual transfer. If you need anything else, please let us know.

Thank you for your attention.

Very truly yours,

Peter E. Cavanaugh

Peter E. Cavanaugh
Counsel

cc: David Ripsom – NEIL

**TXU**

TXU Business Services
501 Bryan Street
Dallas, TX 75201-3411

T. M. Williams
Risk Management Manager

December 3, 2001

Mr. Frank E. Noyes
Duane, Morris & Heckscher
1100 N. Market Street, Suite #1200
Wilmington, DE 19801-1246

NEIL Membership

Dear Frank:

Please advise NEIL that effective January 1, 2002 the new owner/operator and licensee for Comanche Peak Units 1 and 2 will be TXU Generation Company LP. TXU Generation LP is an indirect wholly owned subsidiary of TXU Corp. In accordance with this notice and the NEIL Board resolution, adopted for this purpose, NEIL should transfer the NEIL Membership of TXU Electric Company to TXU Generation Company LP on January 1, 2002.

See attached notification letter to the NRC.

Additionally, please ask NEIL to confirm by letter, that with effect from 01/01/02, NEIL will transfer the NEIL Membership of TXU Electric Company to TXU Generation Company LP. We are required to provide the NRC with a copy of the confirmation. We will appreciate receiving the confirmation from NEIL before December 17, 2001.

Very truly yours,

TMW:sif
Attachments

cc: Mr. Lance Terry
Mr. Peter B. Tinkham
Mr. R.B. Mays
Mr. Neil Anderson - Worsham, Forsythe & Wooldridge



NEIL

Nuclear Electric Insurance Limited

Suite 1200
1201 Market Street
Wilmington, DE 19801
U.S.A.

Peter E. Cavanaugh
Counsel

302 888-3000 Tel
302 888-3007 Fax
302 573-2297 Direct

December 14, 2001

T. M. Williams
Risk Management Manager
TXU Business Services
1601 Bryan St.
Dallas, TX 75201-3411

RE: TXU Generation Company LP

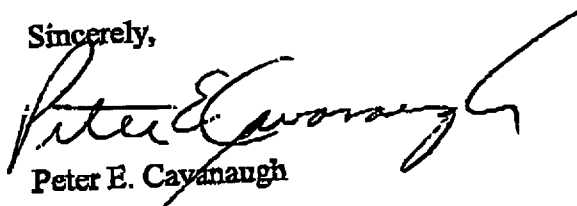
Dear Mike:

Thank you for your correspondence dated December 3, 2001, regarding NEIL Membership.

This shall confirm that NEIL shall transfer Membership of TXU Electric Company to TXU Generation Company LP effective January 1, 2002. NEIL Underwriting expects to send draft endorsements to you next week for review.

Thank you.

Sincerely,



Peter E. Cavanaugh



UNDERWRITING DEPARTMENT
John L. Quattrocchi, Senior Vice President

December 14, 2001

Mr. Ira P. Dinitz
Indemnity Specialist
U.S. Nuclear Regulatory Commission
Mail Stop 11D23
Washington, DC 20555

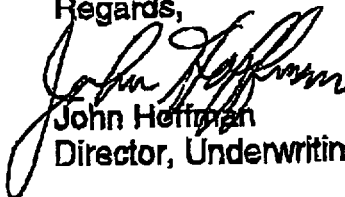
Re: Comanche Peak Steam Electric Station

Dear Ira,

This letter confirms that ANI will make the following changes to the Comanche Peak nuclear liability insurance program. These changes will coincide with the license transfers from TXU Electric Company to TXU Generation Company LP. These insurances are purchased to comply with the financial protection requirements in Section 170 of the Atomic Energy Act of 1954, as amended.

- Under Policy No. NF-0274, ANI will change the Named Insured to *TXU Generation Company LP*. We also will amend the site description to reflect the new name.
- Under Master Worker Policy Certificate No. NW-0631, ANI will make the identical Named Insured and site description changes.
- Under Secondary Financial Protection Certificate Nos. N-0090 and N-0119, ANI will change the Named Insured to *TXU Generation Company LP*. Under each certificate, ANI also will amend each Bond for Payment of Retrospective Premiums, to designate *TXU Generation Company LP* as the named insured required to pay retrospective premiums.

Regards,


John Hoffman
Director, Underwriting