

TXU Energy
Comanche Peak Steam
Electric Station
PO Box 1002 (E01)
Glen Rose, TX 76043
Tel. 254 897 8920
Fax 254 897 6652
lance.terry@txu.com

C. Lance Terry
Senior Vice President &
Principal Nuclear Officer

Ref: 10CFR50.90

CPSES-200300276
Log # TXX-03023
File # 00236

February 5, 2003

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
LICENSE AMENDMENT REQUEST (LAR) 02-08
DELETION OF OPERATING LICENSE CONDITIONS RELATED
TO DECOMMISSIONING TRUST PROVISIONS**

- REF: (1) NRC's Final Rule for Decommissioning Trust Provisions (67 FR
78332) published December 24, 2002**
- (2) TXU Energy letter logged TXX-02088 from C. L. Terry to NRC dated
July 25, 2002 "License Amendment Request (LAR 02-08)"**

Gentlemen:

Pursuant to 10CFR50.90, TXU Generation Company LP (TXU Energy) hereby requests an amendment to the CPSES Unit 1 Operating License (NPF-87) and CPSES Unit 2 Operating License (NPF-89).

This license amendment request proposes changes to both of the CPSES Operating Licenses as follows: delete certain license conditions specified in Sections 2.C. (4) and 2.C. (6) which relate to Decommissioning Trusts on the basis that they are addressed and required by the NRC's Final Rule published on December 24, 2002 (Reference 1). This proposed change is consistent with the NRC's Final Rule discussion under "Comments on the Proposed Rule" in which the NRC has stated "that licensees will have the option of maintaining their existing license conditions or submitting to the new requirements."

A001

TXX-03023
Page 2 of 3

This requests supercedes that portion of TXU Energy's previous and still pending submittal, LAR-02-08 (Reference 2), with respect to revision of the license condition in Section 2.C.(4)(b) of the CPSES Operating Licenses.

Attachment 1 provides a detailed description of the proposed changes, a safety analysis of the proposed changes, TXU Energy's determination that the proposed changes do not involve a significant hazard consideration, a regulatory analysis of the proposed changes and an environmental evaluation. Attachment 2 provides the affected pages from the Operating Licenses marked-up to reflect the proposed changes. Attachment 3 provides retyped Operating License pages which incorporate the requested changes.

To be consistent with this amendment request, TXU Energy also requests that the NRC appropriately modify its December 21, 2001 Order and Safety Evaluation which approved the transfer of Operating Licenses and Conforming Amendments for CPSES Units 1 and 2 in order to revise/delete the same corresponding conditions as described herein in the attachments.

TXU Energy has evaluated its current Decommissioning Trust Agreement for CPSES with respect to the requirements of the Final Rule (Reference 1) and we foresee no material changes to report to the NRC; accordingly, TXU Energy herein submits to the Final Rule requirements and requests approval of this proposed License Amendment at the earliest date achievable. CPSES does not require this amendment to allow continued safe full power operations.

In accordance with 10CFR50.91(b), TXU Energy is providing the State of Texas with a copy of this proposed amendment.

This communication contains no new or revised commitments.

Should you have any questions, please contact Connie Wilkerson at (254) 897-0144.

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

Executed on February 5, 2003.

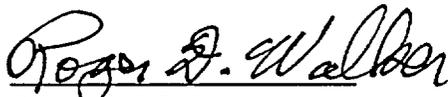
TXX-03023
Page 3 of 3

Sincerely,

TXU Generation Company LP

By: TXU Generation Management Company LLC
Its General Partner

C. L. Terry
Senior Vice President and Principal Nuclear Officer

By: 
Roger D. Walker
Regulatory Affairs Manager

CLW/clw

Attachments

1. Description and Assessment
2. Markup of Affected Operating License Pages
3. Retyped Operating License Pages

c - E. W. Merschoff, Region IV
W. D. Johnson, Region IV
D. H. Jaffe, NRR
Resident Inspectors, CPSES

Mr. Authur C. Tate
Bureau of Radiation Control
Texas Department of Public Health
1100 West 49th Street
Austin, Texas 78704

ATTACHMENT 1 to TXX-03023
DESCRIPTION AND ASSESSMENT

LICENSEE'S EVALUATION

- 1. DESCRIPTION**
- 2. PROPOSED CHANGE**
- 3. BACKGROUND**
- 4. TECHNICAL ANALYSIS**
- 5. REGULATORY SAFETY ANALYSIS**
 - 5.1. No Significant Hazards Consideration**
 - 5.2. Applicable Regulatory Requirements/criteria**
- 6. ENVIRONMENTAL CONSIDERATION**
- 7. REFERENCES**

1.0 DESCRIPTION

- 1.1 By this letter, TXU Generation Company LP (TXU Energy) requests an amendment to the CPSES Unit 1 Operating License (NPF-87) and CPSES Unit 2 Operating License (NPF-89) by incorporating the attached changes into the CPSES Unit 1 and 2 Operating Licenses.

This License Amendment Request (LAR) proposes changes to the CPSES Operating Licenses as follows: delete certain license conditions specified in Sections 2.C. (4) and 2.C. (6) which relate to the Decommissioning Master Trust Agreement for CPSES. This LAR is consistent with the NRC's Final Rule for Decommissioning Trust Provisions published in the Federal Register (67 FR 78332).

Note: This request supercedes that portion of TXU Energy's previous and still pending LAR submittal (LAR-02-08) which requested a revision of the license condition in Section 2.C.(4)(b) of the CPSES Operating Licenses.

- 1.2 No changes to the CPSES Final Safety Analysis Report are anticipated at this time as a result of this LAR.

2.0 PROPOSED CHANGE

The proposed changes would delete certain license conditions related to the CPSES Decommissioning Master Trust Agreement that are currently specified in Sections 2.C. (4) and 2.C. (6) of the CPSES Operating Licenses. This request is consistent with and based on new requirements and guidance included in the NRC's Final Rule for Decommissioning Trust Provisions as published in the Federal Register (67 FR 78332).

3.0 BACKGROUND

On December 21, 2001, the NRC issued an Order and Safety Evaluation that approved the direct transfer of ownership interest and operating authority for CPSES from TXU Electric Company (TXU Electric) to TXU Generation Company LP (TXU Energy) (Reference 7.1). Additionally, on January 1, 2002, the NRC issued Amendment 90 (Reference 7.2) to the CPSES Unit 1 and 2 Operating Licenses with respect to the subject license transfer. The December 21, 2001 Order and Safety Evaluation and Amendment 90 incorporated certain conditions pertaining to TXU Energy's Decommissioning Master Trust Agreement for CPSES.

On December 24, 2002, the NRC revised the regulations of 10 CFR 50.75 and published its Final Rule for Decommissioning Trust Provisions (Reference 7.3). This Final Rule amended the NRC's regulations and guidance with respect to decommissioning trust provisions for nuclear power plants. The Final Rule and associated Regulatory Guide 1.159 (Revision 1), "Assuring the Availability of Funds for Decommissioning Nuclear Reactors," provided standard rules and guidance governing decommissioning trust agreements for nuclear power plants.

In the discussion of the Final Rule under “Comments on the Proposed Rule,” the NRC stated “that licensees will have the option of maintaining their existing license conditions or submitting to the new requirements.” Consistent with this discussion statement, TXU Energy has chosen to submit to the new requirements of the Final Rule and delete those license conditions that are currently incorporated in the CPSES Operating Licenses, but addressed in the new Final Rule.

4.0 TECHNICAL ANALYSIS

The revision of the CPSES Facility Operating Licenses, Sections 2.C. (4) and 2.C. (6), to delete certain license conditions related to the CPSES Decommissioning Trust Agreement is an administrative action to be consistent with the NRC’s Final Rule as published in the Federal Register (67 FR 78332). The NRC’s Final Rule applies to TXU Generation Company LP (TXU Energy) as the owner/operator of CPSES. TXU Energy has chosen to submit to the revised regulations of 10 CFR 50.75 in lieu of maintaining certain license conditions pertaining to the decommissioning trust agreement.

Accordingly, TXU Energy proposes that the following paragraphs (conditions) be deleted from the CPSES Operating Licenses:

1. 2.C. (4) (a) “The decommissioning trust agreement must be in a form acceptable to the NRC.”

While this wording is not explicitly stated in the revised regulations of 10 CFR 50.75, this license condition is the basic focus of the subject Final Rule and is the intent of the Commission per a staff requirements memorandum dated August 10, 1999, in which the Commission directed the NRC staff to initiate a rulemaking to require that decommissioning trust agreements be in a form acceptable to the NRC in order to increase assurance that an adequate amount of decommissioning funds will be available for their intended purpose. This condition is implicit within the Final Rule; financial assurance methods and “a form acceptable to the NRC” are addressed in 10 CFR 50.75(e).

2. 2.C. (4)(b) “With respect to the decommissioning trust funds, investments in the securities or other obligations of TXU Generation Company LP, or its affiliates, successors, or assigns shall be prohibited; except for investments tied to market indices or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited;”

This license condition is now addressed in the regulations at 10 CFR 50.75(h)(1)(i)(A). The Final Rule contains additional NRC response and clarification for this regulation under “Comments on the Proposed Rule - 4.B. Restrictions on Funds, Investment in Nuclear Power Reactor Licensees.”

3. 2.C. (4)(d) “The decommissioning trust agreement must provide that except for ordinary administrative costs, no disbursements or payments from the trusts shall be made by the trustee unless the trustee has first provided 30 days prior written notice of such disbursement or payment to the NRC and the trustee has not received prior written notice of objection from the Director, Office of Nuclear Reactor Regulation;”

This license condition is now addressed in the regulations at 10 CFR 50.75(h)(1)(iv). The Final Rule contains additional NRC response and clarification for this regulation under “Comments on the Proposed Rule - 3. Notifications and Disbursements.”

4. 2.C. (4)(e) “The decommissioning trust agreement must provide that the agreement cannot be modified in any material respect without first providing 30 days prior written notice to the Director, Office of Nuclear Reactor Regulation.”

This license condition is now addressed in the regulations at 10 CFR 50.75(h)(1)(iii). The Final Rule contains additional NRC response and clarification for this regulation under “Comments on the Proposed Rule - 4.E. Modifications to Trusts.”

5. 2.C. (6) “TXU Generation Company LP shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of the facility license to TXU Generation Company LP, the requirements of this Order approving the transfer, and the related safety evaluation.”

This license condition is no longer needed based on the implicit requirements of the Final Rule and the current regulations of 10 CFR 50.75. The Final Rule contains additional NRC response and clarification that addresses this license condition under “Comments on the Proposed Rule - 1. General Comments on the Proposed Action.” The NRC response, in part, is “the NRC has always believed that it is preferable and more efficient to adopt standard rules, as opposed to applying specific license conditions on a case-by-case basis.” TXU Energy believes that this general license condition is effectively addressed by the standard rules now in the regulations.

5.0 REGULATORY SAFETY ANALYSIS

5.1 No Significant Hazards Consideration

TXU Generation Company LP has evaluated whether or not a significant hazards consideration is involved with the proposed amendment(s) by focusing on the three standards set forth in 10CFR50.92, "Issuance of amendment," as discussed below:

1. Do the proposed changes involve a significant increase in the probability or consequences of an accident previously evaluated?

Response: No

The requested changes delete certain license conditions pertaining to Decommissioning Trust Agreements currently in Sections 2.C. (4)(a), 2.C. (4)(b), 2.C. (4)(d), 2.C. (4)(e), and 2.C. (6) of the CPSES Facility Operating Licenses (NPF-87 and NPF-89). The requested changes are consistent with the NRC's Final Rule for Decommissioning Trust Provisions as published in the Federal Register on December 24, 2002 (67 FR 78332).

The revised regulations of 10 CFR 50.75(h)(4) state "Unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility that does no more than delete specific license conditions relating to the terms and conditions of decommissioning trust agreements involves "no significant hazard considerations."

This request involves administrative changes only. No actual plant equipment or accident analyses will be affected by the proposed changes. Therefore, the proposed changes do not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Do the proposed changes create the possibility of a new or different kind of accident from any accident previously evaluated?

Response: No

This request involves administrative changes only to be consistent with the NRC's Final Rule for Decommissioning Trust Provisions as published in the Federal Register (67 FR 78332) .

No actual plant equipment or accident analyses will be affected by the proposed change and no failure modes not bounded by previously evaluated accidents will be created. Therefore, the proposed changes do not create a new or different kind of accident from any accident previously evaluated.

3. Do the proposed changes involve a significant reduction in a margin of safety?

Response: No

This request involves administrative changes only to be consistent with the NRC's Final Rule for Decommissioning Trust Provisions as published in the Federal Register (67 FR 78332) .

Margin of safety is associated with confidence in the ability of the fission product barriers (i.e., fuel and fuel cladding, Reactor Coolant System pressure boundary, and containment structure) to limit the level of radiation dose to the public.

No actual plant equipment or accident analyses will be affected by the proposed change. Additionally, the proposed changes will not relax any criteria used to establish safety limits, will not relax any safety systems settings, or will not relax the bases for any limiting conditions of operation. Therefore, the proposed changes do not involve a significant reduction in the margin of safety.

Based on the above evaluations, TXU Generation Company LP concludes that the proposed amendment(s) present no significant hazards consideration under the standards set forth in 10 CFR 50.75(h)(4) and 10CFR50.92(c) and, accordingly, a finding of "no significant hazards consideration" is justified.

5.2 Applicable Regulatory Requirements/Criteria

Regulatory Requirements

NRC Order and Safety Evaluation issued December 21, 2001 to Facility Operating Licenses NPF-87 and NPF-89 (CPSES Unit 1 and 2, respectively). This NRC Order approved TXU Electric Company's (TXU Electric's) application dated June 19, 2001, for Order and Conforming Administrative Amendments for transfer of the CPSES Operating Licenses to TXU Generation Company LP.

Current Operating Licenses for CPSES Units 1 and 2 (NPF-87 and NPF-89)

NRC's Final Rule on Decommissioning Trust Provisions (67 FR 78332)

10 CFR 50.75 "Reporting and Recordkeeping for Decommissioning Planning."

Analysis

CPSES Operating License Sections 2.C. (4)(a), 2.C. (4)(b), 2.C. (4)(d), 2.C. (4)(e) and 2.C.(6) were incorporated in Amendment 90 as license conditions concerning the TXU Generation Company LP Decommissioning Master Trust Agreement for CPSES. These same license condition are addressed by the recent NRC Final Rule on Decommissioning Trust Provisions (67 FR 78332) and are now codified in the revised regulations of 10 CFR 50.75.

Conclusion

The deletion of license conditions in Sections 2.C. (4)(a), 2.C. (4)(b), 2.C. (4)(d), 2.C. (4)(e) and 2.C.(6) of the CPSES Facility Operating Licenses is consistent with the NRC's Final Rule for Decommissioning Trust Provisions (67 FR 78332) and TXU Energy's desire to submit to the regulations of 10 CFR 50.75.

6.0 ENVIRONMENTAL CONSIDERATION

The proposed amendment is confined to administrative changes for providing consistency with existing regulations. Accordingly, the proposed amendment meets the eligibility criterion for categorical exclusion set forth in 10 CFR 51.22(c)(10). Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the proposed amendment.

7.0 REFERENCES

- 7.1 NRC Order and Safety Evaluation Approving Transfer of Operating Licenses and Conforming Amendments for CPSES Units 1 and 2 (NPF-87 and NPF-89), dated December 21, 2001.
- 7.2 Amendment 90 to Facility Operating Licenses NPF-87 and NPF-89, dated January 1, 2002
- 7.3 Federal Register, Vol. 67, No. 247, pg.78332, "Final Rule -Decommissioning Trust Provisions" dated December 24, 2002.

8.0 PRECEDENTS

None

ATTACHMENT 2 to TXX-03023

**PROPOSED CHANGES to OPERATING LICENSES
(MARK-UP)**

License No. NPF-87, Pages 4,5

License No. NPF-89, Pages 4,5

(3) Antitrust Conditions

DELETED

(4) License Transfer

The TXU Generation Company LP Decommissioning Master Trust Agreement for the facility at the time the license transfers are effected and thereafter, is subject to the following:

- (a) ~~The decommissioning trust agreement must be in a form acceptable to the NRC. DELETED~~
- (b) ~~With respect to the decommissioning trust funds, investments in the securities or other obligations of TXU Generation Company LP, or its affiliates, successors, or assigns shall be prohibited; except for investments tied to market indices or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited; DELETED~~
- (c) The appropriate section of the decommissioning trust agreement must state that investments made in trust by the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to investment guidelines established by the PUCT (e.g., 16 Texas Administration Code 25.301);
- (d) ~~The decommissioning trust agreement must provide that except for ordinary administrative costs, no disbursements or payments from the trusts shall be made by the trustee unless the trustee has first provided 30 days prior written notice of such disbursement or payment to the NRC and the trustee has not received prior written notice of objection from the Director, Office of Nuclear Reactor Regulation; and DELETED~~
- (e) ~~The decommissioning trust agreement must provide that the agreement cannot be modified in any material respect without first providing 30 days prior written notice to the Director, Office of Nuclear Reactor Regulation. DELETED~~

(5) License Transfer

TXU Generation Company LP shall provide decommissioning funding assurance, to be held in a decommissioning trust for the facility upon the direct transfer of the facility license to TXU Generation Company LP, in an amount equal to or greater than the balance in the facility decommissioning trusts immediately prior to the transfer. In addition, TXU Generation Company LP shall ensure that all contractual arrangements referred to in the application for approval of the transfer of the facility license to TXU Generation Company LP, to obtain necessary decommissioning funds for the facility through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.

(6) License Transfer

~~TXU Generation Company LP shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of the facility license to TXU Generation Company LP, the requirements of this Order approving the transfer, and the related safety evaluation: DELETED~~

(7) License Transfer

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.

D. The following exemptions are authorized by law and will not endanger life or property or the common defense and security. Certain special circumstances are present and these exemptions are otherwise in the public interest. Therefore, these exemptions are hereby granted pursuant to 10 CFR 50.12.

- (1) The facility requires a technical exemption from the requirements of 10 CFR 50, Appendix J, Section III.D.2(b)(ii). The justification for this exemption is contained in Section 6.2.5 of Supplement 22 to the Safety Evaluation Report dated January 1990. The staff's environmental assessment was published on November 14, 1989 (54 FR 47430).

(4) License Transfer

The TXU Generation Company LP Decommissioning Master Trust Agreement for the facility at the time the license transfers are effected and thereafter, is subject to the following:

- (a) ~~The decommissioning trust agreement must be in a form acceptable to the NRC. DELETED~~
- (b) ~~With respect to the decommissioning trust funds, investments in the securities or other obligations of TXU Generation Company LP, or its affiliates, successors, or assigns shall be prohibited; except for investments tied to market indices or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited; DELETED~~
- (c) The appropriate section of the decommissioning trust agreement must state that investments made in trust by the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to investment guidelines established by the PUCT (e.g., 16 Texas Administration Code 25.301);
- (d) ~~The decommissioning trust agreement must provide that except for ordinary administrative costs, no disbursements or payments from the trusts shall be made by the trustee unless the trustee has first provided 30 days prior written notice of such disbursement or payment to the NRC and the trustee has not received prior written notice of objection from the Director, Office of Nuclear Reactor Regulation; and DELETED~~
- (e) ~~The decommissioning trust agreement must provide that the agreement cannot be modified in any material respect without first providing 30 days prior written notice to the Director, Office of Nuclear Reactor Regulation. DELETED~~

(5) License Transfer

TXU Generation Company LP shall provide decommissioning funding assurance, to be held in a decommissioning trust for the facility upon the direct transfer of the facility license to TXU Generation Company LP, in an amount equal to or greater than the balance in the facility decommissioning trusts immediately prior to the transfer. In addition, TXU Generation Company LP shall ensure that all contractual arrangements referred to in the application for approval of the transfer of the facility license to TXU Generation Company LP, to obtain necessary

decommissioning funds for the facility through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.

(6) License Transfer

~~TXU Generation Company LP shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of the facility license to TXU Generation Company LP, the requirements of this Order approving the transfer, and the related safety evaluation: DELETED~~

(7) License Transfer

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.

D. The following exemptions are authorized by law and will not endanger life or property or the common defense and security. Certain special circumstances are present and these exemptions are otherwise in the public interest. Therefore, these exemptions are hereby granted:

- (1) The facility requires a technical exemption from the requirements of 10 CFR Part 50, Appendix J, Section III.D.2(b)(ii). The justification for this exemption is contained in Section 6.2.5.1 of Supplement 26 to the Safety Evaluation Report dated February 1993. The staff's environmental assessment was published on January 19, 1993 (58 FR 5036). Therefore, pursuant to 10 CFR 50.12(a)(1), 10 CFR 50.12(a)(2)(ii) and (iii), the Comanche Peak Steam Electric Station, Unit 2 is hereby granted an exemption from the cited requirement and instead, is required to perform the overall air lock leak test at pressure P_a prior to establishing containment integrity if air lock maintenance has been performed that could affect the air lock sealing capability.
- (2) The facility was previously granted exemption from the criticality Monitoring requirements of 10 CFR 70.24 (see Materials License No. SNM-1986 dated April 24, 1989 and Section 9.1.1 of SSER 26 dated February 1993.) The staff's environmental assessment was published on

ATTACHMENT 3 to TXX-03023

RETYPE PAGES FOR OPERATING LICENSES

License No. NPF-87, Page 4 & 5

License No. NPF-89, Page 4 & 5

(3) Antitrust Conditions

DELETED

(4) License Transfer

The TXU Generation Company LP Decommissioning Master Trust Agreement for the facility at the time the license transfers are effected and thereafter, is subject to the following:

(a) DELETED

(b) DELETED

(c) The appropriate section of the decommissioning trust agreement must state that investments made in trust by the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to investment guidelines established by the PUCT (e.g., 16 Texas Administration Code 25.301);

(d) DELETED

(e) DELETED

(5) License Transfer

TXU Generation Company LP shall provide decommissioning funding assurance, to be held in a decommissioning trust for the facility upon the direct transfer of the facility license to TXU Generation Company LP, in an amount equal to or greater than the balance in the facility decommissioning trusts immediately prior to the transfer. In addition, TXU Generation Company LP shall ensure that all contractual arrangements referred to in the application for approval of the transfer of the facility license to TXU Generation Company LP, to obtain necessary decommissioning funds for the facility through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.

(6) License Transfer

DELETED

(7) License Transfer

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.

D. The following exemptions are authorized by law and will not endanger life or property or the common defense and security. Certain special circumstances are present and these exemptions are otherwise in the public interest. Therefore, these exemptions are hereby granted pursuant to 10 CFR 50.12.

- (1) The facility requires a technical exemption from the requirements of 10 CFR 50, Appendix J, Section III.D.2(b)(ii). The justification for this exemption is contained in Section 6.2.5 of Supplement 22 to the Safety Evaluation Report dated January 1990. The staff's environmental assessment was published on November 14, 1989 (54 FR 47430).

(4) License Transfer

The TXU Generation Company LP Decommissioning Master Trust Agreement for the facility at the time the license transfers are effected and thereafter, is subject to the following:

(a) DELETED

(b) DELETED

(c) The appropriate section of the decommissioning trust agreement must state that investments made in trust by the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to investment guidelines established by the PUCT (e.g., 16 Texas Administration Code 25.301);

(d) DELETED

(e) DELETED

(5) License Transfer

TXU Generation Company LP shall provide decommissioning funding assurance, to be held in a decommissioning trust for the facility upon the direct transfer of the facility license to TXU Generation Company LP, in an amount equal to or greater than the balance in the facility decommissioning trusts immediately prior to the transfer. In addition, TXU Generation Company LP shall ensure that all contractual arrangements referred to in the application for approval of the transfer of the facility license to TXU Generation Company LP, to obtain necessary

decommissioning funds for the facility through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.

(6) License Transfer

DELETED

(7) License Transfer

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.

D. The following exemptions are authorized by law and will not endanger life or property or the common defense and security. Certain special circumstances are present and these exemptions are otherwise in the public interest. Therefore, these exemptions are hereby granted:

- (1) The facility requires a technical exemption from the requirements of 10 CFR Part 50, Appendix J, Section III.D.2(b)(ii). The justification for this exemption is contained in Section 6.2.5.1 of Supplement 26 to the Safety Evaluation Report dated February 1993. The staff's environmental assessment was published on January 19, 1993 (58 FR 5036). Therefore, pursuant to 10 CFR 50.12(a)(1), 10 CFR 50.12(a)(2)(ii) and (iii), the Comanche Peak Steam Electric Station, Unit 2 is hereby granted an exemption from the cited requirement and instead, is required to perform the overall air lock leak test at pressure P_a prior to establishing containment integrity if air lock maintenance has been performed that could affect the air lock sealing capability.
- (2) The facility was previously granted exemption from the criticality Monitoring requirements of 10 CFR 70.24 (see Materials License No. SNM-1986 dated April 24, 1989 and Section 9.1.1 of SSER 26 dated February 1993.) The staff's environmental assessment was published on