



**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

CPSES-200300537  
Log # TXX-03057  
File # 00236

March 7, 2003

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

**SUBJECT:** COMANCHE PEAK STEAM ELECTRIC STATION  
DOCKET NOS. 50-445 and 50-446  
REQUEST FOR THRESHOLD DETERMINATION –  
10CFR50.80; RESPONSE TO REQUEST FOR ADDITIONAL  
INFORMATION

**REF:** TXU letter TXX-03019 from C. L. Terry to NRC dated January  
28, 2003 "Request For Threshold Determination – 10 CFR 50.80"

Gentlemen:

This letter is submitted by TXU Generation Company LP ("TXU Generation"), on its own behalf as the owner and operator of Comanche Peak Steam Electric Station ("CPSES") Units 1 and 2 and on behalf of Credit Suisse First Boston Private Equity, Inc. ("CSFBI"). The purpose of this letter is to respond to the NRC's Request for Additional Information (RAI) concerning the above referenced letter.

On January 28, 2003, TXU Generation requested the NRC's threshold determination that a stock transaction involving certain entities affiliated with CSFBI and TXU Generation's parent companies and the related transfer of 1% ownership interest in one of the intermediate parent companies to another indirect wholly-owned subsidiary of TXU Corp. do not require license transfer approval under 10CFR50.80. A description of the transactions and the bases for that request were provided. On March 4, 2003, a telephone conference was conducted between the NRC and representatives for TXU Generation and CSFBI to discuss six questions the NRC had with respect to a RAI regarding this pre-clearance request. The attachment to this letter provides the response of TXU Generation and CSFBI to NRC's RAI.

TXX-03057

Page 2 of 2


If the NRC requires any additional information concerning this request, please contact Connie L. Wilkerson at (254) 897-0144 or Roger D. Walker at (254) 897-8233.

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  
Attachment

c: Ellis W. Merschoff, Regional Administrator, Region IV  
W. D. Johnson, Region IV  
Resident Inspectors, CPSES  
David H. Jaffe, NRR, Project Manager for CPSES  
Steven R. Hom, Esq., NRC Office of General Counsel

### **SPECIFIC INFORMATION REQUESTS**

- 1. Identify the beneficial owners of TXU common stock currently owning more than five percent of such stock, and the percentage ownership for each such owner.**

Response:

The common stock of TXU Corp. is held by a large number of persons. Any person acquiring beneficial ownership of more than five percent of the outstanding common stock of TXU Corp. is required to file a report with the Securities and Exchange Commission with respect to such acquisition. As of the date of this filing, Capital Research and Management Company, which owns approximately 6.1% of the class (\*) of common stock of TXU Corp., is the only beneficial owner of five percent or more of the outstanding common stock of TXU Corp.

As previously noted, the CSFBI entities hold exchangeable notes which, if exchanged, would put them in possession of approximately 10% of the class (\*) of common stock of TXU Corp. Similarly, the Berkshire Hathaway entities hold exchangeable notes which, if exchanged, would put them in possession of 5.2% of the class (\*) of common stock of TXU Corp.

\*Calculated based upon outstanding shares plus shares issuable upon settlement of outstanding purchase contracts within 60 days pursuant to SEC Rule 13d-3.

- 2. Verify whether, as a result of the transactions identified in the January 28, 2003, submittal, including the potential exercise of UXT's option to exchange subordinated notes for TXU Corp. common stock, there will be any material change in the financial qualifications and decommissioning funding assurance of the licensee for the Comanche Peak Steam Electric Station Units 1 and 2 (CPSES).**

Response:

TXU Generation's January 28, 2003 letter described a financing transaction between CSFBI and TXU Corp., TXU Generation's ultimate corporate parent. The financial qualifications of TXU Generation are not based on the financial position of TXU Corp. Therefore, the financial qualifications of TXU Generation, the licensee for CPSES, are not affected in any material way by the described transaction. TXU Generation's assurance of funding for decommissioning is based upon Texas statute and is similarly not affected in any material way by the described transaction.

3. **Verify whether, as a result of the transactions identified in the January 28, 2003, submittal, including the potential exercise of UXT's option to exchange subordinated notes for TXU Corp. common stock, there will be any material change in the identity, organization, management, and technical qualifications of the licensee for CPSES.**

Response:

TXU Generation's January 28, 2003 letter described a financing transaction between CSFBI and TXU Corp., TXU Generation's ultimate corporate parent. The described transaction does not create any material change in TXU Generation's identity, organization, management, or technical qualifications. Therefore, the identity, organization, management, and technical qualifications of TXU Generation, the licensee for CPSES, are not affected in any material way by the described transaction.

4. **Verify that neither DLJ nor UXT, nor Credit Suisse Group (CSG) as the ultimate parent of both DLJ and UXT, nor any of CSG's other subsidiaries, would acquire any additional common stock in TXU Corp. beyond the amount specified in the January 28, 2003 request. Confirm that none of these entities themselves or in combination will beneficially own in excess of a total ownership interest of 10 percent of the outstanding shares of TXU Corp. at any one time.**

Response:

None of Donaldson, Lufkin & Jenrette, Inc. (now known as Credit Suisse First Boston (USA) Inc., the indirect parent of Credit Suisse First Boston Private Equity, Inc.); UXT Holdings LLC; UXT Intermediary LLC; Credit Suisse Group ("CSG") nor any other subsidiary of CSG (collectively, the "CSG Entities") will acquire additional common stock of TXU Corp., other than shares that are or may be held by certain subsidiaries of CSG in their capacity as broker dealers, investment advisers, market makers, insurance companies, and underwriters as part of the ordinary course of their business. The CSG Entities would own a total of 10.046184% of the outstanding shares of TXU Corp. upon exchange of the subordinated notes issued by TXU Energy Company LLC ("TXU Energy") currently held by the CSG Entities.

5. **Verify that if DLJ, UXT, CSG, or any other subsidiary of CSG were to establish one or more voting trusts or other voting entities in relation to the outstanding common stock of TXU Corp., then no such voting trust nor other voting entities will have any agreement, either express or implied, that they would act in concert regarding actions pertaining to TXU Corp. Also, confirm that neither CSG nor any of its subsidiaries will have any agreement, either express or implied, that they would act in concert with any other interests that may beneficially own TXU Corp. stock now or in the future, such as Berkshire Hathaway, Inc.**

Response:

To the extent that the CSG Entities establish one or more voting trusts, the trustees will be required to act independently as to voting the shares of TXU Corp. No voting trusts established by the CSG Entities will have any agreements between them, express or implied, that they would act in concert regarding actions pertaining to TXU Corp. No CSG Entity that acquires TXU Corp. common stock as a result of the exchange of the subordinated notes will have any agreement, express or implied, that they will act in concert with any third-party entities that own TXU Corp. stock, now or in the future, such as Berkshire Hathaway, Inc.

6. **Verify that no subsidiary of CSG, nor CSG itself or in combination with any of its subsidiaries, will have the right to nominate more than one member of the Board of Managers of TXU Energy or more than one member of the Board of Directors of TXU Corp.**

Response:

Under the financing transactions described in TXU Generation's January 28, 2003 letter, any planned agreements, or any other existing agreements, CSG, either by itself, or in combination with its subsidiaries, will not have the right to cause the election of more than one member of the Board of Managers of TXU Energy or more than one member of the Board of Directors of TXU Corp.

On January 31, 2003, the CSFBI nominee, Mr. Michael W. Ranger, assumed a seat on the TXU Energy Board of Managers. On February 21, 2003, Mr. Ranger was elected to the Board of Directors of TXU Corp.