



**TXU Power**  
Comanche Peak Steam  
Electric Station  
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**Mike Blevins**  
Senior Vice President &  
Chief Nuclear Officer

Ref: 10CFR50.75(f)

CPSES-200500692  
Log# TXX-05072

March 31, 2005

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  
DECOMMISSIONING REPORT**

Gentlemen:

Attached is the biennial decommissioning report for Comanche Peak Units 1 and 2, prepared and submitted pursuant to 10CFR50.75(f). TXU Generation Company LP (TXU Power) is an unregulated utility and therefore does not meet the definition of an electric utility as defined by 10CFR50.2. The recovery of decommissioning funds for the eventual decommissioning of CPSES Units 1 and 2 is assured through the collection of a non-bypassable charge which is subsequently contributed to an external trust.

The amounts to be collected for CPSES decommissioning are based on a site specific decommissioning study that includes contracting vendors for recycling and compacting waste. Differences between the study as compared to the 10CFR50.75 estimate are that buildings/equipment common to both units (e.g., the fuel building and the auxiliary building) are decommissioned with Unit 2, decreasing the cost of Unit 1 and increasing the cost of Unit 2.

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A member of the STARS (Strategic Teaming and Resource Sharing) Alliance

Callaway • Comanche Peak • Diablo Canyon • Palo Verde • South Texas Project • Wolf Creek

When projected to the license expiration date for each unit using the 2 percent annual real rate of return as allowed per 10CFR50.75(e)(ii), the projected Nuclear Decommissioning Trust balance is greater than the escalated NRC minimum cost of decommissioning for Units 1 and 2.

TXU Power has completed a new cost estimate in 2005 dollars, which has been incorporated into the subsequently described Public Utilities Commission (PUC) of Texas filing. A full funding analysis, now underway, will be filed with the PUC of Texas during the second quarter 2005, which could lead to changes in the annual funding amounts, as appropriate.

This communication contains the following new licensing basis commitment regarding CPSES Units 1 and 2.

Commitment Number	Commitment
27342	A full funding analysis, now underway, will be filed with the PUC of Texas during the second quarter 2005.

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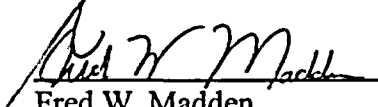
Should you have any questions regarding the status of decommissioning for CPSES Units 1 and 2, please contact Mr. J. D. Seawright at (254) 897-0140.

Sincerely,

TXU Generation Company LP

By: TXU Generation Management Company LLC,  
Its General Partner

Mike Blevins

By:   
Fred W. Madden  
Director, Regulatory Affairs

JDS/js  
Attachment

c - B. S. Mallett, Region IV  
M. C. Thadani, NRR  
Resident Inspectors, CPSES

**TXU Generation Company LP  
Comanche Peak Steam Electric Station (CPSES)**

<u>Information is submitted to provide Financial Assurance</u>	<u>Unit # 1</u>	<u>Unit # 2</u>
1. The minimum amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).		
At December 31, 2004		
Using 10 CFR 50.75(c) formulas	\$ 369.7 million	\$ 369.7 million
Site-specific study	\$ 360.6 million	\$ 612.9 million
2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c).		
Market Value at December 31, 2004	\$ 172.6 million	\$ 188.8 million
3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).		
Years 2005 through 2029 (25 years)	<u>Unit # 1</u> \$ 2.6 million	<u>Unit # 2</u> \$ 11.0 million
Year 2030	0.4 million	11.0 million
Year 2031		11.0 million
Year 2032		1.8 million
Total	\$ 66.1 million	\$ 298.8 million
Annual contributions are being recovered in rates from rate case #22350, effective 1/1/02.		
4. The assumptions used regarding escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.		
Estimated Escalation rate for decommissioning costs	4.68%	4.68%
Estimated Earnings rates on decommissioning funds		
2005 through 2025	6.88%	6.88%
2026 through 2034	5.56%	5.56%
2035 and thereafter	4.04%	4.04%
Rates of other factors used in funding projections	None	None
5. Any power sale contracts upon which licensee is relying to certifying financial assurance.	None	None
6. Modifications to licensee's method of providing financial assurance since previous report.	None	None
7. Material changes to trust agreement. Changes were made to conform with the NRC revisions outlined in Revision 1 to Regulatory Guide 1.159.	None	None

## Assumptions

### Bureau of Labor Statistics Data

#### Employment Cost Index ( $L_x$ )

Series ID: ECU132021      Fourth Quarter: 170.6

Not Seasonally Adjusted  
Compensation: Total Compensation  
Ownership: Private Industry  
Periodicity: Index Number  
Group: South Region

#### Producer Price Index - Commodities ( $E_x$ )

Series ID: WPU0543      December: 147.9(P)

Not Seasonally Adjusted  
Group: Fuels and related products and power  
Item: Industrial electric power  
Base Date: 8200

Series ID: WPU0573      December: 133.4(P)

Not Seasonally Adjusted  
Group: Fuels and related products and power  
Item: Light Fuel Oils  
Base Date: 8200

### Waste Burial Factor ( $B_x$ )

NUREG-1307, Revision 10    PWR: 9.467

South Carolina:  
Non-Atlantic Compact  
Contracting vendors for recycling and  
compacting waste