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CPSES-200700709
Log # TXNB-07003

April 9, 2007

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555
ATTN: David B. Matthews, Director
Division of New Reactor Licensing

**SUBJECT: TXU GENERATION DEVELOPMENT – NUBUILD PROGRAM
UPDATE REGARDING NEW REACTOR SITES
PROJECT NO. 0754**

The purpose of this letter is to update the NRC regarding site selection for new nuclear generation units. In previous correspondence (see TXU Power letters of January 18, 2007, and March 9, 2007), TXU Power informed the NRC that TXU Power was moving forward with the potential development of two to six gigawatts of new nuclear facilities. In addition, TXU Power identified that two of the new units would be located at the same site as Comanche Peak Steam Electric Station (CPSES) Units 1 and 2 and that additional sites were being investigated for potential development options.

At this time, in order to focus effort and investment on the site that the company believes has the highest potential, TXU Power is proceeding with the development of a Combined License Application (COLA) for the two units (approximately 3.4 GW) at CPSES and is not actively pursuing development of additional sites. TXU Corp. has entered into a merger agreement that, if consummated, would result in affiliates of Kohlberg Kravis Roberts and Texas Pacific Group acquiring all of the outstanding shares of TXU Corp.; the proposed merger is not yet complete. Although the selection and development of additional sites may be reinitiated at a later date after the merger closes, no work is being done at this time and there is no schedule for the submittal of additional COLAs.

We hope this information is helpful to you in your resource and budget planning for new plant reviews. As always, we will keep you informed regarding our intentions and will inform you as soon as any decisions are made that might impact your activities.

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In summary, TXU Power is seeking to build two new nuclear generating units at the same location as CPSES Units 1 and 2. These units will be Mitsubishi Heavy Industries, Ltd.'s (MHI) US-APWR nuclear generating units. We are developing the COLA for these new CPSES units at this time and intend to submit the COLA in the mid-2008 time frame. No other units or sites for new nuclear generating units are being actively considered at this time.

Should you have any questions about this letter or matters relating more generally to TXU Power's NuBuild program, please contact Don Woodlan (254-897-6887, dwoodla1@txu.com) or me.

Sincerely,

TXU Generation Company LP

By: TXU Generation Management Company LLC
Its General Partner



Mitch Lucas

RJK

Attachment

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