



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

April 4, 2013

Mr. Rafael Flores
Senior Vice President and
Chief Nuclear Officer
Attention: Regulatory Affairs
Luminant Generation Company LLC
P.O. Box 1002
Glen Rose, TX 76043

**SUBJECT: COMANCHE PEAK NUCLEAR POWER PLANT, UNITS 1 AND 2 - REQUEST
FOR ADDITIONAL INFORMATION REGARDING 10 CFR 50.33 FINANCIAL
QUALIFICATION REVIEW (TAC NOS. MF0948 AND MF0949)**

Dear Mr. Flores:

Energy Future Holdings Corporation filed its annual Form 10-K report dated February 19, 2013, pursuant to Section 13 or 15(d) of the U.S. Securities and Exchange Commission (SEC) for the fiscal year that ended December 31, 2012. Energy Future Competitive Holdings Company (EFCH) is a direct, wholly owned subsidiary of Energy Future Holdings Corporation (EFH). EFCH, through its wholly owned subsidiaries, owns Luminant Generation Company LLC (Luminant), the owner and operator of Comanche Peak Nuclear Power Plant (CPNPP), Units 1 and 2.

The U.S. Nuclear Regulatory Commission (NRC) staff has reviewed the information provided in your annual Form 10-K SEC filing and determined that more detailed information is needed to support its financial qualification review. Enclosed is the NRC staff's request for additional information (RAI). A draft copy of the RAI was forwarded to Mr. Tim Hope of Luminant on March 21, 2013, and discussed with your staff on March 26, 2013. Mr. Carl Corbin of your staff agreed to provide your response to the RAIs within 30 days from the date of this letter.

A copy of the annual Form 10-K report may be accessed directly from the SEC Web site at the following link:

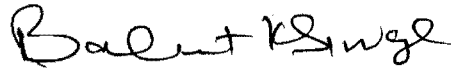
<http://www.sec.gov/Archives/edgar/data/1023291/000102329113000003/efh-12312012x10k.htm>

R. Flores

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If you have any questions, please contact me at 301-415-3016 or via e-mail at Balwant.Singal@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Balwant K. Singal". The signature is fluid and cursive, with the first name "Balwant" being more prominent than the last name "Singal".

Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-445 and 50-446

Enclosure:
As stated

cc w/encl: Distribution via Listserv

REQUEST FOR ADDITIONAL INFORMATION
OFFICE OF NUCLEAR REACTOR REGULATION
NRC STAFF EVALUATION OF LICENSEE'S FINANCIAL QUALIFICATIONS
IN ACCORDANCE WITH 10 CFR 50.33
LUMINANT GENERATION COMPANY LLC
COMANCHE PEAK NUCLEAR POWER PLANT, UNITS 1 AND 2
DOCKET NOS. 50-445 AND 50-446

Energy Future Holdings Corporation filed its annual Form 10-K report dated February 19, 2013, pursuant to Section 13 or 15(d) of the U.S. Securities and Exchange Commission (SEC) for the fiscal year that ended December 31, 2012. Energy Future Competitive Holdings Company (EFCH) is a direct, wholly owned subsidiary of Energy Future Holdings Corporation (EFH). EFCH, through its wholly owned subsidiaries, owns Luminant Generation Company LLC (Luminant), the owner and operator of Comanche Peak Nuclear Power Plant (CPNPP), Units 1 and 2.

The following request for additional information is related to the financial qualifications requirements filed with the SEC by EFH per Section 50.33 of Title 10 of the *Code of Federal Regulations* (10 CFR) for CPNPP, Units 1 and 2.

Regulatory Basis

The regulations in 10 CFR 50.33(f) state, in part, that

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22, information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

Further, 10 CFR 50.33(f)(5) states, in part, that

The Commission may request an established entity or newly-formed entity to submit additional or more detailed information respecting its financial arrangements and status of funds if the Commission considers this information to be appropriate. This may include information regarding a licensee's ability to continue the conduct of the activities authorized by the license and to decommission the facility.

Enclosure

Per the guidance in NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance" (Agencywide Documents Access and Management System (ADAMS) Accession No. ML013330264):

The NRC [U.S. Nuclear Regulatory Commission] does not systematically review its power reactor licensees once it has issued an OL [operating license], other than for transfers discussed in Section III.1.e. However, section 50.33(f)(4) [50.33(f)(5) in the latest 10 CFR] states: "The Commission may request an established entity or newly-formed entity to submit additional or more detailed information respecting its financial arrangements and status of funds if the Commission considers this information to be appropriate. This may include information regarding a licensee's ability to continue the conduct of the activities authorized by the license and to decommission the facility." The NRC has used this provision only in limited situations and normally will not require licensees, including those that are not "electric utilities," to report on their financial qualifications at specified intervals []. However, reviewers have and will continue to conduct general follow-up reviews of all licensees by screening trade and financial press reports, and other sources of information. Reviewers will use this information to determine whether to recommend any additional NRC action, including requests for additional information and the assignment of additional inspection resources to monitor the adequacy of plant safety performance.

On February 19, 2013, EFH filed its annual Form 10-K report with the SEC. In its submission, EFH stated, in part, that

In 2009, we implemented a liability management program focused on improving our balance sheet by reducing the amount and extending the maturity of our outstanding debt. Activities under the liability management program do not include debt issued by Oncor or its subsidiary. Since inception, the program has resulted in the capture of \$2.5 billion of debt discount and the extension of approximately \$25.7 billion of debt maturities to 2017-2021. Activities to date have included debt exchanges, issuances and repurchases as well as amendments to, and extensions under, the Credit Agreement governing the TCEH [Texas Competitive Electric Holdings Company LLC] Senior Secured Facilities. As a result of these and other activities, we expect TCEH will have sufficient liquidity to meet its obligations until October 2014, at which time a total of \$3.8 billion of the TCEH Term Loan Facilities matures.

We may not be able to repay or refinance our debt as or before it becomes due, or obtain additional financing, particularly if wholesale electricity prices in ERCOT [Electric Reliability Council of Texas] do not significantly increase and/or if environmental regulations are adopted that result in significant capital requirements, and the costs of any refinancing may be significant.

We may not be able to repay or refinance our debt as or before it becomes due, including our maturities of \$3.8 billion of TCEH Term Loan Facilities in October 2014, or we may only be able to refinance such amounts on terms that will

increase our cost of borrowing or on terms that may be more onerous. Our ability to successfully implement any future refinancing of our debt will depend on, among other things, our financial condition and operating performance, which is subject to prevailing economic and competitive conditions, and to certain financial, business and other factors beyond our control, including, without limitation, wholesale electricity prices in ERCOT (which are primarily driven by the price of natural gas and ERCOT market heat rates), environmental regulations and general conditions in the credit markets. Refinancing may also be difficult because of general economic conditions, including the slow economic recovery, the possibility of rising interest rates and uncertainty with respect to U.S. fiscal policy. Because our credit ratings are significantly below investment grade, we may be more heavily exposed to these refinancing risks than other borrowers. In addition, the timing of additional financings may require us to pursue such financings at inopportune times, and we may be able to incur new financing only at significant cost...

In light of the information provided in the 10-K statement filed with the SEC, specifically, EFH's debt, credit rating, and current liquidity, please explain what, if any, effect these developments have on the ability of the licensee to meet the NRC's financial qualifications requirements and the effect these developments have on Luminant Holding Company LLC's support agreement for CPNPP, Units 1 and 2.

R. Flores

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If you have any questions, please call me at 301-415-3016 or via e-mail at Balwant.Singal@nrc.gov.

Sincerely,

/RA/

Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-445 and 50-446

Enclosure:
As stated

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ADAMS Accession No. ML13087A531

*via memo dated

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NAME	BSingal	JBurkhardt	RAIwein (A)*	MMarkley	BSingal
DATE	4/4/13	4/1/13	3/8/13	4/4/13	4/4/13

OFFICIAL AGENCY RECORD