

**TXU CORP. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS**

ASSETS	December 31,	
	2005	2004
	(millions of dollars)	
Current assets:		
Cash and cash equivalents .....	\$ 37	\$ 106
Restricted cash .....	54	49
Accounts receivable — trade .....	1,328	1,274
Income taxes receivable .....	14	16
Inventories .....	364	320
Commodity contract assets .....	1,603	546
Cash flow hedge and other derivative assets .....	65	4
Accumulated deferred income taxes .....	717	181
Margin deposits related to commodity positions .....	247	65
Other current assets .....	129	184
Total current assets .....	4,558	2,745
Investments:		
Restricted cash .....	16	47
Other investments .....	643	664
Property, plant and equipment — net .....	17,192	16,676
Goodwill .....	542	542
Regulatory assets — net .....	1,826	1,891
Commodity contract assets .....	338	315
Cash flow hedge and other derivative assets .....	75	2
Other noncurrent assets .....	349	283
Assets held for sale (Note 4) .....	—	24
Total assets .....	\$25,539	\$23,189
<b>LIABILITIES, PREFERRED SECURITIES OF SUBSIDIARIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable:		
Commercial paper .....	\$ 358	\$ —
Banks .....	440	210
Long-term debt due currently .....	1,250	229
Accounts payable — trade .....	1,026	1,077
Commodity contract liabilities .....	1,481	491
Cash flow hedge and other derivative liabilities .....	275	113
Litigation and other settlement accruals .....	12	391
Margin deposits related to commodity positions .....	357	115
Other current liabilities .....	1,151	1,202
Total current liabilities .....	6,350	3,828
Accumulated deferred income taxes .....	3,697	2,670
Investment tax credits .....	384	405
Commodity contract liabilities .....	516	347
Cash flow hedge and other derivative liabilities .....	91	83
All other long-term debt, less amounts due currently .....	11,332	12,412
Other noncurrent liabilities and deferred credits .....	2,694	2,761
Liabilities held for sale (Note 4) .....	—	6
Total liabilities .....	25,064	22,512
Preferred securities of subsidiaries .....	—	38
Contingencies (Note 9) .....		
Shareholders' equity (Note 8) .....	475	639
Total liabilities, preferred securities of subsidiaries and shareholders' equity .....	\$25,539	\$23,189

See Notes to Financial Statements.