

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

ASSETS	December 31,	
	2006	2005
	(millions of dollars)	
Current assets:		
Cash and cash equivalents	\$ 25	\$ 37
Restricted cash	58	54
Trade accounts receivable — net (Note 13)	959	1,328
Income taxes receivable	—	14
Inventories	383	364
Commodity contract assets (Note 18)	276	1,603
Cash flow hedge and other derivative assets (Note 19)	698	65
Accumulated deferred income taxes (Note 11)	253	717
Margin deposits related to commodity positions	7	247
Other current assets	178	129
Total current assets	2,837	4,558
Restricted cash	258	16
Investments	712	643
Property, plant and equipment — net	18,756	17,192
Goodwill	542	542
Regulatory assets — net	2,028	1,826
Commodity contract assets (Note 18)	162	338
Cash flow hedge and other derivative assets (Note 19)	248	75
Other noncurrent assets	379	349
Total assets	\$25,922	\$25,539
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings (Note 14)	\$ 1,491	\$ 798
Long-term debt due currently (Note 15)	485	1,250
Trade accounts payable	1,093	1,026
Commodity contract liabilities (Note 18)	278	1,481
Cash flow hedge and other derivative liabilities (Note 19)	39	275
Margin deposits related to commodity positions	681	357
Other current liabilities	1,040	1,163
Total current liabilities	5,107	6,350
Accumulated deferred income taxes (Note 11)	4,238	3,697
Investment tax credits	363	384
Commodity contract liabilities (Note 18)	183	516
Cash flow hedge and other derivative liabilities (Note 19)	73	91
Long-term debt, less amounts due currently (Note 15)	10,631	11,332
Other noncurrent liabilities and deferred credits	3,187	2,694
Total liabilities	23,782	25,064
Commitments and Contingencies (Note 16)		
Shareholders' equity (Note 17)	2,140	475
Total liabilities and shareholders' equity	\$25,922	\$25,539

See Notes to Financial Statements.