

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2006

— OR —

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-12833

TXU Corp.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of incorporation or organization)

75-2669310
(I.R.S. Employer Identification No.)

1601 Bryan Street Dallas, TX 75201-3411
(Address of principal executive offices)(Zip Code)

(214) 812-4600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Registrant
TXU Corp.

Title of Each Class
Common Stock, without par value

Name of Each Exchange on
Which Registered
New York Stock Exchange
The Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-Accelerated filer

Indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Aggregate market value of TXU Corp. Common Stock held by non-affiliates, based on the last reported sale price on the New York Stock Exchange composite tape on June 30, 2006, the last business day of the registrant's most recently completed second fiscal quarter: \$27,599,873,915

Common Stock outstanding at February 23, 2007: 459,269,419 shares, without par value

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be delivered in connection with TXU Corp.'s annual shareholders' meeting pursuant to Regulation 14A, to be filed with the Securities and Exchange Commission on or about April 26, 2007, are incorporated by reference into Part III of this report.

TABLE OF CONTENTS

	<u>Page</u>
Glossary	iii
PART I	
Items 1. and 2. BUSINESS AND PROPERTIES	1
TXU CORP. Business and Strategy	1
Operating Segments	5
TXU Energy Holdings Operating Segment Strategy and Business Activities	7
TXU Electric Delivery Operating Segment Strategy and Business Activities	15
Environmental Regulations and Related Considerations	19
Item 1A. RISK FACTORS	23
Item 1B. UNRESOLVED STAFF COMMENTS	35
Item 3. LEGAL PROCEEDINGS	36
Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS	40
EXECUTIVE OFFICERS OF TXU CORP.	41
PART II	
Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	44
Item 6. SELECTED FINANCIAL DATA	45
Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	45
Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	45
Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	45
Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	45
Item 9A. CONTROLS AND PROCEDURES	45
Item 9B. OTHER INFORMATION	45
PART III	
Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	46
Item 11. EXECUTIVE COMPENSATION	46
Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	47
Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	47
Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES	47

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

APPENDIX A – Financial Information of TXU Corp. and Subsidiaries

A-1

APPENDIX B – Exhibits to 2006 Form 10-K

B-1

Note for Annual Report to Shareholders – This Annual Report on Form 10-K for the year ended December 31, 2006, except for Appendix B, is being included in its entirety in TXU Corp.’s 2006 annual report to shareholders in accordance with Regulation 14A of the proxy rules. Copies of Appendix B will be provided upon written request.

TXU Corp.’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports are made available to the public, free of charge, on the TXU Corp. website at <http://www.txucorp.com>, as soon as reasonably practicable after they have been filed with or furnished to the Securities and Exchange Commission. TXU Corp. will provide copies of current reports not posted on the website upon request. The information on TXU Corp.’s website shall not be deemed a part of, or incorporated by reference into, this report on Form 10-K. In addition, in accordance with corporate governance rules of the New York Stock Exchange, TXU Corp. has provided, on the TXU Corp. website, (a) its corporate governance guidelines, (b) its code of conduct for employees, officers and directors, and (c) charters of the Committees of the board of directors including the Audit, Nominating and Governance and Organization and Compensation Committees. Printed copies of corporate governance documents which are posted on the TXU Corp. website are also available to any shareholder upon request to the Secretary of TXU Corp., 1601 Bryan Street, Dallas, Texas 75201-3411.

GLOSSARY

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

1999 Restructuring Legislation	legislation that restructured the electric utility industry in Texas to provide for retail competition
APB 25	Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees”
Capgemini	Capgemini Energy LP, a subsidiary of Cap Gemini North America Inc. that provides business support services to TXU Corp. and its subsidiaries
Commission	Public Utility Commission of Texas
EITF 02-3	Emerging Issues Task Force Issue No. 02-3, “Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities”
EPA	US Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas, the Independent System Operator and the regional reliability coordinator of the various electricity systems within Texas
ERISA	Employee Retirement Income Security Act
FASB	Financial Accounting Standards Board, the designated organization in the private sector for establishing standards for financial accounting and reporting
FERC	US Federal Energy Regulatory Commission
FIN	Financial Accounting Standards Board Interpretation
FIN 45	FIN No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others – An Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34”
FIN 46R	FIN No. 46R (Revised 2003), “Consolidation of Variable Interest Entities”
FIN 47	FIN No. 47, “Accounting for Conditional Asset Retirement Obligations — An Interpretation of FASB Statement No. 143”
FIN 48	FIN No. 48, “Accounting for Uncertainty in Income Taxes”
Fitch	Fitch Ratings, Ltd. (a credit rating agency)
GW	gigawatts
GWh	gigawatt-hours

historical service territory	the territory, largely in north Texas, being served by TXU Corp.'s regulated electric utility subsidiary at the time of entering retail competition on January 1, 2002
IRS	US Internal Revenue Service
kV	kilovolts
kWh	kilowatt-hours
market heat rate	Heat rate is a measure of the efficiency of converting a fuel source to electricity. The market heat rate is based on the price offer of the marginal supplier in Texas (generally gas plants) in generating electricity and is calculated by dividing the wholesale market price of power by the market price of natural gas.
Merger Agreement	Agreement and Plan of Merger, dated February 25, 2007, among TXU Corp., Merger Sub Parent and Merger Sub.
Merger Sub	Texas Energy Future Merger Sub Corp., a Texas corporation and a wholly-owned subsidiary of Merger Sub Parent.
Merger Sub Parent	Texas Energy Future Holdings Limited Partnership, a Delaware limited partnership.
MMBtu	million British thermal units
Moody's	Moody's Investors Services, Inc. (a credit rating agency)
MW	megawatts
MWh	megawatt-hours
NRC	US Nuclear Regulatory Commission
PRB	Powder River Basin – a coal mining region that covers southeast Montana and northeast Wyoming. TXU Corp. purchases coal from this region from multiple suppliers, which is currently blended with lignite to fuel the Big Brown, Monticello and Martin Lake generating plants.
price-to-beat rate	residential and small business customer electricity rates established by the Commission that (i) were required to be charged in a REP's historical service territories until the earlier of January 1, 2005 or the date when 40% of the electricity consumed by such customer classes is supplied by competing REPs, adjusted periodically for changes in fuel costs, and (ii) were required to be made available to those customers until January 1, 2007
PURA	Public Utility Regulatory Act
REP	retail electric provider
RRC	Railroad Commission of Texas, which has oversight of lignite mining activity
S&P	Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. (a credit rating agency)
SEC	US Securities and Exchange Commission
Settlement Plan	regulatory settlement plan that received final approval by the Commission in January 2003
SFAS	Statement of Financial Accounting Standards issued by the FASB
SFAS 5	SFAS No. 5, "Accounting for Contingencies"
SFAS 34	SFAS No. 34, "Capitalization of Interest Cost"

SFAS 71	SFAS No. 71, “Accounting for the Effect of Certain Types of Regulation”
SFAS 87	SFAS No. 87, “Employers’ Accounting for Pensions”
SFAS 106	SFAS No. 106, “Employers’ Accounting for Postretirement Benefits Other Than Pensions”
SFAS 109	SFAS No. 109, “Accounting for Income Taxes”
SFAS 115	SFAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities”
SFAS 123R	SFAS No. 123 (revised 2004), “Share-Based Payment”
SFAS 133	SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” as amended and interpreted
SFAS 140	SFAS No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, a replacement of FASB Statement 125”
SFAS 142	SFAS No. 142, “Goodwill and Other Intangible Assets”
SFAS 143	SFAS No. 143, “Accounting for Asset Retirement Obligations”
SFAS 144	SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets”
SFAS 157	SFAS No. 157, “Fair Value Measurements”
SFAS 158	SFAS No. 158, “Accounting for Defined Benefit Pension and Other Postretirement Plans”
SFAS 159	SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115”
SG&A	selling, general and administrative
Short-cut method	refers to the short-cut method under SFAS 133 that allows entities to assume no hedge ineffectiveness in a hedging relationship of interest rate risk if certain conditions are met
Sponsors	The private investment group, consisting of entities advised by or affiliated with Kohlberg Kravis Roberts & Co. and Texas Pacific Group, that directly and indirectly owns Merger Sub Parent and Merger Sub.
TCEQ	Texas Commission on Environmental Quality
TXU Australia	refers to TXU Australia Group Pty Ltd, a former subsidiary of TXU Corp., and its subsidiaries
TXU Big Brown	TXU Big Brown Company LP, a Texas limited partnership and subsidiary of TXU Energy Company, which owns two lignite/coal-fueled generation units in Texas
TXU Corp.	Refers to TXU Corp., a holding company, and/or its subsidiaries, depending on context. This Form 10-K and other SEC filings of TXU Corp. and its subsidiaries occasionally make references to TXU Corp., TXU Energy Company or TXU Electric Delivery when describing actions, rights or obligations of their respective subsidiaries. These references reflect the fact that the subsidiaries are consolidated with their respective parent companies for financial reporting purposes. However, these references should not be interpreted to imply that the parent company is actually undertaking the action or has the rights or obligations of the relevant subsidiary company.

TXU DevCo	Refers to subsidiaries of TXU Corp. that have been established for the purpose of developing new lignite/coal-fueled generation facilities. The TXU DevCo subsidiaries are currently not subsidiaries of TXU Energy Company.
TXU Electric Delivery	Refers to TXU Electric Delivery Company, a subsidiary of TXU Corp., and/or its bankruptcy remote financing subsidiary, TXU Electric Delivery Transition Bond Company LLC, depending on context. This form 10-K and other SEC filings of TXU Corp. and its subsidiaries occasionally make references to TXU Corp., TXU Energy Company or TXU Electric Delivery when describing actions, rights or obligations of their respective subsidiaries. These references reflect the fact that the subsidiaries are consolidated with their respective parent companies for financial reporting purposes. However, these references should not be interpreted to imply that the parent company is actually undertaking the action or has the rights or obligations of the relevant subsidiary company.
TXU Energy Company	Refers to TXU Energy Company LLC, a subsidiary of TXU Corp., and/or its subsidiaries, depending on context, engaged in electricity generation and wholesale and retail energy markets activities. This Form 10-K and other SEC filings of TXU Corp. and its subsidiaries occasionally make references to TXU Corp., TXU Energy Company or TXU Electric Delivery when describing actions, rights or obligations of their respective subsidiaries. These references reflect the fact that the subsidiaries are consolidated with their respective parent companies for financial reporting purposes. However, these references should not be interpreted to imply that the parent company is actually undertaking the action or has the rights or obligations of the relevant subsidiary company.
TXU Energy Holdings	Refers to the TXU Corp. business segment that includes TXU Energy Company and its subsidiaries, TXU DevCo and its subsidiaries, activities of other TXU Corp. subsidiaries to pursue opportunities for generation facility development in markets outside Texas and activity of a lease trust holding certain combustion turbines.
TXU Europe	TXU Europe Limited, a former subsidiary of TXU Corp.
TXU Fuel	TXU Fuel Company, a former subsidiary of TXU Energy Company
TXU Gas	TXU Gas Company, a former subsidiary of TXU Corp.
TXU Portfolio Management	TXU Portfolio Management Company LP, a subsidiary of TXU Energy Company
US	United States of America
US Holdings	TXU US Holdings Company, a subsidiary of TXU Corp.
VEBA	refers to voluntary employees' beneficiary association