OEA, Inc. P.O. Box 10488 • Denver, Colorado 80210 • Phone (303) 693-1248

July 5, 1990

REFER TO

U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Reference: Docket No. 50-228

Gentlemen:

As Chief Financial Officer of OEA, Inc., a Delaware corporation, I am pleased to submit this letter as support of our use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 50. Please also accept this letter as OEA's guarantee of the decommissioning of the facility owned and operated by our wholly-owned subsidiary, Aerotest operations, Inc., San Ramon, California. The current cost estimate in 1990 dollars for decommissioning the Aerotest Radiography and Research Reactor which holds NRC license R-98, is $405,625. This includes a 25% contingency factor of $81,125. Data related to this estimate is attached.

OEA is required to and has filed a Form 10K with the U.S. Securities and Exchange Commission for the latest fiscal year ended July 31, 1989.

The financial test (Alternative I) is as follows:

1. Decommissioning cost estimates for the facility [Lic. R-98]	$ 405,625
*2. Total liabilities	$ 13,365,752
*3. Tangible net worth	$ 60,029.848
*4. Net worth	$ 60,508,300
*5. Current assets	$ 53,260,377
*6. Current liabilities	$ 11,210,014
*7. Net working capital	$ 42,050,363
*8. The sum of net income plus depreciation, depletion, and amortization	$ 17,287,099
*9. Total assets in United States	$ 71,603,612

A020
1/1

		YES	NO
10.	Is line 3 at least $10 million?	X	____
11.	Is line 3 at least 6 times line 1?	X	____
12.	Is line 7 at least 6 times line 1?	X	____
13.	Are at least 90 percent of the firm's assets located in the United States?	X	____
14.	Is line 9 at least 6 times line 1?	N/A	____
15.	Is line 2 divided by line 4 less than 2.0?	X	____
16.	Is line 8 divided by line 2 greater than 0.1?	X	____
17.	Is line 5 divided by line 6 greater than 1.5?	X	____

The figures for the items above marked with an asterisk were derived from OEA's audited financial statements and related footnotes for the latest completed fiscal year ended July 31, 1989.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

Sincerely,

OEA, Inc.

John E. Banko,
Senior Vice President/Treasurer

cc: H. G. Simens
Aerotest Operations, Inc.

DECOMMISSIONING COST
AEROTEST RADIOGRAPHY AND RESEARCH REACTOR
San Ramon, California

Pursuant to 10CFR50.33(k), which sets forth the requirements for developing decommissioning funding for nuclear reactors, an analysis was performed to determine the cost (in 1990 dollars) to decommission the Aerotest Radiography and Research Reactor (ARRR). The ARRR is operated under USNRC License R-98 described in NRC Docket No. 50-228.

Located in San Ramon, California, the ARRR is operated by Aerotest Operations, Inc., a wholly owned subsidiary of OEA, Inc. The ARRR is a 250 thermal kilowatt research reactor which is used for the production of neutron radiographs, and for the occasional irradiation of samples. The facility is comprised of a TRIGA reactor contained in a water filled, below ground aluminum tank. Unlike any TRIGA research facilities, the ARRR does not contain a pneumatic irradiation capability, does not have an associated hot cell on site, does not have an irradiation pool, nor does it have contaminated hot lab facilities which could be used for the separation of irradiated samples.

In the development of this cost estimate, extensive use was made of NUREG/CR-1756 vol. 1 Technology, Safety and Costs of Decommissioning Reference Nuclear Research nd Test Reactors. Particular note was taken of the data prepared for the reference Research Reactor inasmuch as the nuclear core design is the same (a TRIGA) as the ARRR. The principal differences between the reference Research Reactor and the ARRR are the power level (1000kW vs. 250kW for the ARRR), and the special facilities (hot lab, hot cell, and pneumatic rabbit) which the ARRR does not have.

Costs were developed for decommissioning the ARRR and were compared with those given in Table 11.1-1 of NUREG/CR-1756. After allowances were made for the relative simplicity of the ARRR, the agreement between our estimate (in $1990) and the Table are quite good.

Summary of Estimated Costs for Decommissioning the ARRR are as follows:

Cost Category	Est. Costs ($1990)	% of Total DecommissionCosts
Disposal of Radioactive Material		
Neutron Activated Material	$ 20,400	
Contaminated Material	18,500	
Radioactive Wastes	12,000	
Total Disposal Costs	50,900	12.5

Cost Category	Est. Costs ($1990)	% of Total Decommission Costs
Staff Labor	200,000	49.3
Energy	17,000	4.2
Spec. Tools & Equipment	26,000	6.4
Misc. Supplies	7,600	1.9
Nuc. Insurance	6,000	1.5
Lic. Fees	17,000	4.2
Subtotal	324,500	80.0
Contingency (25%)	81,125	20.0
Total Decommissioning Cost	$405,625	100.0
Other Possible Costs		
Spent Fuel Shipment	$ 74,800	
Facility Rehab.	60,000	
Subtotal	134,800	
Contingency (25%)	33,700	
Total Other Possible Costs	$168,500	