

Modern **Equipment Company**

Jet Melter Cost Analysis

Prepared for: Actual Customer
Melting Furnace: AL-2000 Jet Melter

MELTING COSTS	UNITS	REVERB	JET MELTER
Melt Loss	percent	4.0%	1.0%
Aluminum Cost	\$ per pound	\$1.20	\$1.20
Energy cost	\$ per therm	\$0.50	\$0.50
Energy usage	Btu's per pound melted	3,000	1,000
Aluminum Usage	Pounds Melted per Month	666,666	666,666

COST TO MELT PER POUND	\$0.063	\$0.017
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ENERGY COST PER MONTH:	\$10,000	\$3,333
MELT LOSS COST PER MONTH:	\$32,000	\$8,000
TOTAL MELT COST PER MONTH:	\$42,000	\$11,333

MONTHLY MELT SAVINGS **\$30,667**

HOLDING COSTS	UNITS	REVERB	JET MELTER
Energy Cost	\$ per therm	\$0.50	\$0.50
Energy Usage	Btu's per pound held (assumed)	75	75
Amount Held	Pounds Held	20000	5000
Holding Period	Hours held monthly	352	352

COST TO HOLD PER MONTH	\$2,640.00	\$660.00
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MONTHLY HOLDING SAVINGS **\$1,980.00**

TOTAL MONTHLY SAVINGS **\$32,646.64**

Aluminum Melt Rate Assumptions: 2000#/hr, 16hrs/day, 250 days/year

Aluminum Holding Assumptions: 4 weeks/mo. @ 8 hrs/day + (4) 48 hr/weekends.

*(20,000# Reverb Holding Capacity vs. 5000#Jet Melter Holding Capacity)

Melting Costs @ 1250 Degrees F

Holding Costs @ 1350 Degrees F