

# 8. Direct Operating Costs



Cost Category	Basis	Cost	Your Figures			
Fuel Cost (1)	60 gal per hr at \$4.50 per gal	\$300,00				
Oil	\$10.00 per quart every 15 hours	\$0.67				
General Maintenance (2)	45 min per flight hour	\$90.00				
Prop Overhaul (3)	\$9,000 (3,000 hours or 6 years)	\$3.00				
Gear Overhaul	\$33,000 (5,000 landings or 7 years)	\$6.60				
Five-year items	\$6,500 (2,000 hours or 5 years)	\$3.25				
Hot Section Inspection (4)	\$15,000 at 1,750 hours	\$8.57				
Engine Overhaul (4)	\$260,000 at 3000 hours	\$86,67				
<b>Total Direct Costs</b>		<b>\$468,75</b>				
<b>Total Hourly Costs</b>			<b>Hours per Year</b>	<b>200</b>	<b>400</b>	<b>600</b>
Direct Costs	From above	\$498.76	\$498.76	\$498.76	\$498.76	
Insurance	Estimated at \$30,000 per year	\$150.00	\$75.00	\$50.00	\$50.00	
Hangar	Estimated at \$9,600 per year	\$48.00	\$24.00	\$16.00	\$16.00	
Training, Charts, Etc.	Estimated at \$3,500 per year	\$17.50	\$8.75	\$5.83	\$5.83	
<b>Total Costs (owner-flown)</b>		<b>\$714.26</b>	<b>\$606.51</b>	<b>\$540,59</b>		
Owner-pilot	Salary at \$45,000 per year	No Need	\$112.50	\$75.00		
<b>Total Costs (With pilot)</b>		<b>\$714.26</b>	<b>\$719.01</b>	<b>\$645.59</b>		

Source: (1) Average of most encountered fuel prices at mid-size airports - (2) \$90 per hour labor and \$30 per hour for parts - (3) Hartzell Propeller, Inc - (4) Industry average