

## **Killam Properties 1**

The Background and Cause video clips offer the following financial information

- Apartment burns 2700 gigajoules of gas per year (77,000 litres of oil equivalent)
- 2015 winter was colder than normal
- 55% is burnt in the winter months from December until March.
- 2015 winter months variable cost of gas per gigajoule was \$14 dollars (commodity compartment). (What Killam actually paid)
- Add to this \$8.75 per gigajoule distribution charge
- During non-winter months the average costs decreases to \$7 per gigajoule.
- 2015 winter months per litre cost per oil was 65 cents per litre.
- 2014 winter months per litre cost of oil was 85 cents per litre.
- Cost to convert to a dual fired burner is \$15,000.
- Cost to convert to an oil fired burner is \$10,000.
- Oil is 10 percent less efficient than natural gas.
- Dual fire burner is 3 percent less efficient than a single oil or natural gas burner.
- Switching cost is \$1000.00 go from natural gas and oil every time you switch for a dual fire burner. So we had colder than normal weather which increased pricing.
- 2015 winter month natural gas market pricing in the region was actually closer to \$18
- Killam is publicly traded with a cost of debt of approximately 3%.
- Killam 55% leveraged from a corporate perspective.
- Yield on Killam equity or stock is approximately 5%.