

Depreciation in water supply businesses: Legal versus actual useful life of water supply facilities

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Abstract

This paper examines depreciation in water supply businesses. According to previous studies and data from various organizations, the actual service life of water supply facilities exceeds their legal useful life because of technological innovations, and it is clear that the divergence is particularly large for pipeline facilities.

To ensure fair cost allocation and water rates, this paper argue that reviewing legal useful life of water supply facilities before their full-scale renewal periods.

Keywords

Depreciation, water supply businesses, legal useful life, actual service life