Process for calculating Current Cost Depreciation (CCD) on non-infrastructure assets

**CCD on existing non-infrastructure assets**
- Current Costs of assets calculated by NI Water
- Apportion assets between Ofwat standard life categories
- Apply Ofwat standard industry lives
- Apply depreciation charge calculated according to Current Cost and standard asset lives
- Depreciation on existing assets

**CCD on new non-infrastructure assets**
- Planned capital expenditure divided into:
  - MNI Expenditure
  - Enhancement
- Apply Ofwat standard apportionment of MNI Capex
- Apply Ofwat standard apportionment of enhancement Capex
- Apply Ofwat standard industry asset lives
- Calculate depreciation
- Current Costs depreciation on new additions

Broad equivalence check and adjustment applied

CCD = Current Cost Depreciation
MNI = Maintenance Non-Infrastructure