

STATE	CONSTRUCTION WORK IN PROGRESS
Alabama	Not applicable, because of the use of the Operating Margin Method, in which the utility's plant is not considered. If a plant is placed in service 12 months after the test period, and needs to recoup depreciation expense, the utility should file another rate case, which is typically processed within a month under the Operating Margin Method.
Alaska	No. <i>See, e.g., Municipality of Anchorage dba Anchorage Water Utility</i> , Docket No. U-76-66 (February 28, 1977).
Arizona	Yes, but as the exception to the rule. CWIP is generally disallowed. <i>See In the Matter of Arizona-American Water Company</i> , Decision No. 71410 (December 9, 2009).
Arkansas	Yes, for non-revenue producing plant completed within one year of test year. <i>E.g., Russellville Water Company, Inc. v. Arkansas Pub. Serv. Comm'n</i> , 606 S.W.2d 552 (Ark. 1980); <i>Application of Russellville Water Company</i> , Docket No. U-3081, Order No. 7 (Jan. 15, 1981).
California	Yes. <i>See, e.g., California-American Water Company</i> , Decision 09-07-021 (July 9, 2009).
Colorado	Yes. <i>See, e.g., Re Public Service Company of Colorado</i> , 239 PUR4th 177, 197-98 (2005); <i>Re: The Investigation and Suspension of Tariff Sheets Filed by Public Service Company of Colorado for Advice Letter No. 1454 - Electric and Advice Letter No. 671-Gas</i> , Decision No. C06-0852, Docket No. 06S-234EG (June 28, 2006).
Connecticut	Yes, in limited circumstances. <i>See, e.g., Connecticut Light and Power Company</i> , Decision No. 23-07-15 (1983). DPUC may allow CWIP to be included in rate base for facilities necessary to comply with the federal safe drinking water act (SDWA) and to permit affected water companies to implement a rate surcharge based on such CWIP, under the terms and conditions enumerated in DPUC regulations Sec. 16-1-59B.

Delaware	Decided on a case-by-case basis. <i>See, e.g., Delmarva Power & Light Company</i> , PSC Docket No. 05-304, Order No. 6930 (Jun. 6, 2006); <i>Tidewater Water Supply Company, Inc.</i> , PSC Docket No. 99-466, Order No. 5592 (Nov. 21, 2000).
District of Columbia	<i>PRIVATE WATER SYSTEMS NOT REGULATED</i>
Florida	Yes. Generally, if plant will be in service within the next 12 months, it will be allowed to be included in rate base, provided the plant is not accruing AFUDC. <i>See Fla. Stat. § 367.081(2)(a)(2); In re: Application for Increase in Wastewater Rates in Seminole County by Alafaya Utilities, Inc.</i> , Docket No. 060256-SU, Order No. PSC-07-0130-SC-SU (Feb. 15, 2007).
Georgia	<i>PRIVATE WATER SYSTEMS NOT REGULATED</i>
Hawaii	Yes. <i>In Re Hawaiian Electric Company, Inc.</i> , 56 PUR 4th 476 (1983).
Idaho	<p>Generally no, unless the Commission explicitly finds that the public interest will be served. IC § 61.502A; <i>see, e.g., Washington Water Power Company v. Idaho Pub. Util. Comm'n</i>, Case Nos. U-1008-170, U-1008-171, Order No. 17546 (Sept. 17, 1982) (disallowing CWIP); <i>United Water Idaho, Inc. v Idaho Pub. Util. Comm'n</i>, Case No. UWI-W-04-4, Order No. 29838 (Aug., 2, 2005) (allowing inclusion of new water treatment facility that began operation after close of test period, where adjustments to test-year revenues and expenses were required to account for changes in rate base and system operations caused by new plant).</p> <p>However, short-term CWIP may be allowed in rate base, provided that revenues, associated cost savings, and expenses are quantified and also included. <i>See, e.g., AT&T Communications of the Mountain States, Inc. v. Idaho Pub. Util. Comm'n</i>, Case No. U-1142-2, Order No. 19656 (May 3, 1985).</p>
Illinois	The ICC may include in rate base an amount for CWIP for an investment that is scheduled to be placed in service within 12 months of the date of the rate determination or for an investment in the purification of water and sewage. 220 ILCS 5/9-214(e) and (f).

Indiana	No. <i>See, e.g., Re Indiana Gas Co.</i> , Cause No. 34993 (Nov. 23, 1977). The only exception — which is inapplicable to water and wastewater — is for qualified pollution control property of electric utilities. <i>See, e.g., 170 IAC 4-6-16.</i>
Iowa	Yes. <i>See, e.g., Iowa-American Water Company</i> , Docket No. RPU 07-03 (Jan. 15, 2009).
Kansas	No, unless construction of the property will be commenced and completed in one year or less. KSA § 66-128(b)(1), (2).
Kentucky	Yes. <i>See, e.g., 807 KAR 5:001, Section 10(7)(c); Adjustment of the Rates of Kentucky-American Water Company</i> , Case No. 2004-00103 (Feb. 28, 2005); <i>An Adjustment of the Gas Rates of the Union Light, Heat and Power Company</i> , Case No. 2005-00042 (Dec. 22, 2005).
Louisiana	Traditionally, investment in CWIP which is not short-term in nature (less than 30 days duration) has generally not been included in rate base. <i>E.g., Entergy Gulf States, Inc.</i> , Docket No. U-22491, Order No. U-22491 (Apr. 4, 2000). Further, short-term CWIP has been excluded from rate base where the utility's average payment lag on projects exceeded 30 days. <i>Entergy Gulf States, Inc.</i> , Docket No. U-22491, Order No. U-22491 (Apr. 4, 2000). In the electric context, the Commission has recognized that inclusion of CWIP for a large capital project may be needed to protect a utility's financial integrity, etc. <i>See Re Entergy Louisiana, LLC</i> , 264 PUR4th 472, Docket No. U-30192, Order No. U-30192 (Mar. 19, 2008).
Maine	Yes. <i>See, e.g., Banger Hydro-Electric Company</i> , 46 PUR 4th 503 (1982).
Maryland	Yes, with an AFUDC offset in operating income. <i>See, e.g., In the Matter of the Application of Potomac Electric Power Company for Authority to Revise its Rates and Charges</i> , Case No. 9092, Order No. 81517 (July 19, 2007).
Massachusetts	No. <i>See Oxford Water Company</i> , DPU 1219 (1983).
Michigan	<i>PRIVATE WATER SYSTEMS NOT REGULATED</i>
Minnesota	<i>PRIVATE WATER SYSTEMS NOT REGULATED</i>

Mississippi	Yes, particularly if the construction is expected to end within the future test year. <i>See, e.g., In Re Entergy Mississippi, Inc.</i> , Docket No. 02-UN-0526 (2002).
Missouri	No. <i>See, e.g., Re Laclede Gas Co.</i> , 25 PUR4th 51 (1978); <i>see also In the Matter of Union Electric Company, d/b/a AmerenUE's Tariffs to Increase Its Annual Revenues for Electric Service</i> , Case No. ER-2008-0318 (Report and Order issued Jan. 27, 2009).
Montana	No. <i>See, e.g., Mountain States Telephone and Telegraph Company v. Pub. Serv. Reg. of Montana</i> , Docket No. 6496, Order No. 4389d (Oct. 2, 1978); <i>Mountain States Telephone and Telegraph Company v. Pub. Serv. Comm'n of Montana</i> , Docket N. 6652, Order No. 4585a (July 16, 1980).
Nebraska	Traditionally not allowed, <i>see, e.g., Re Northwestern Bell Telephone Company</i> , 2 PUR4th 312 (1974), although CWIP which is actually in service has been allowed, <i>see Re Continental Telephone Company of Nebraska</i> , 11 PUR4th 137 (1975). More recently the Commission has been likely to include CWIP, although there have been no recent cases where a water company has requested to include significant CWIP in its rate base.
Nevada	No, unless necessary to mitigate financial harm to the utility, <i>see, e.g., Re Sierra Pacific Power Company</i> , 247 PUR4th 469 (2005), or where the adjustments in rate base reflect increased investments in facilities used and useful in utility operations, <i>see Nev. Adm. Code 703.2461</i> .
New Hampshire	No, costs associated with CWIP may not be included in rate base or as a current expense. RSA 378:30-a. However, the anti-CWIP statute does not bar the recovery of CWIP related costs as a part of the utility's rate of return. <i>Re Public Service Company of New Hampshire</i> , 57 PUR4th 563, 69 NH PUC 67 (1984). Notwithstanding the anti-CWIP statute, the PUC may include the cost or value of capital improvements or programs in rates, when directly related to technical planning of regional water supply development or directly related to development of new water supply sources. RSA 378:30-d.

New Jersey	Determined on a case-by-case basis. May be allowed for a project that significantly increases the size of rate base, but more often than not is rejected. Very likely disallowed for routine construction projects. <i>See, e.g., Re South Jersey Gas Company</i> , 65 PUR4th 452 (1985) (allowing CWIP); <i>Re South Jersey Gas Co.</i> , Docket Nos. 818-754 (Oct. 8, 1982) (same); <i>but see, e.g., Re Elizabethtown Water Co.</i> , 62 PUR4th 613 (1984) (disallowing CWIP because utility failed to demonstrate impact on earnings and ability to finance construction necessary for safe and adequate service).
New Mexico	Yes. <i>In Re PNM GAS</i> (N.M. PRC Order entered June 29, 2007).
New York	Yes, non-interest bearing CWIP has been allowed for smaller, non-interest bearing projects where accrual of AFUDC would be unwieldy. <i>See, e.g., Jamaica Water Supply Company</i> , 111 PUR4th 60 (NY PSC 1990)); <i>cf. Jamaica Water Supply Company</i> , 104 PUR4th 273 (NY PSC 1989) The PSC <i>Policy Statement on Test Years</i> (1977) established a fully projected “rate year” in which capital additions in service at the end of the twelve month period following the effective date of the new rates are averaged and included in rate base. In addition the PSC has allowed special surcharges for specifically identified water supply projects. <i>E.g., United Water New York</i> , Case No. 06-W-0131 (2006).
North Carolina	Yes, provided that capitalized AFUDC is discontinued. <i>See</i> N.C. Gen. Stat. § 62-133(b); NCUC Rule R1-17(b)(13) and (c).
North Dakota	<i>PRIVATE WATER SYSTEMS NOT REGULATED</i>
Ohio	Yes, with limitations, including that a project be at least 75% complete. <i>See</i> Ohio Rev. Code § 4909.15(A)(1).
Oklahoma	Yes. <i>See</i> OAC 165:70-5-4(d)(i)(II), 165:70-5-23(4).

Oregon	<p>The PUC may allow into rates the costs of a specific capital improvement project in progress if: (1) the water utility uses the additional revenues solely for the purpose of completing the capital improvement project; (2) the water utility demonstrates that its access to capital is limited and it is in the public interest to provide funding for the capital improvement through rates; and (3) such costs are approved through tariffs filed with the PUC. OAR 860-036-0757.</p> <p>A similar rule applies to wastewater utilities that provide service inside the boundaries of a city. OAR 860-037-0570.</p>
Pennsylvania	<p>Yes, it is the PUC's policy to use its discretion to include in rate base the utility's investment in CWIP not completed and placed in public service as of the date new base rates become effective. The PUC will consider whether the CWIP project is nonrevenue producing (<i>i.e.</i>, any revenue is passed on to customers on a current basis), nonexpense reducing (<i>i.e.</i>, any expenses are passed through to customers on a current basis), necessary to improve environmental conditions or safety at existing facilities, and reasonably certain to be completed within the first 6 months the new base rates will be in effect. 52 Pa. Code § 69.371.</p>
Rhode Island	<p>No. <i>See Providence Gas Company v. Edward Burman</i>, 22 PUR 4th 103 (1977).</p>
South Carolina	<p>Yes. <i>Application of South Carolina Electric & Gas Company</i>, Docket No. 2002-223-E, Order No. 2003-38 (Jan. 31, 2003); <i>Application of Piedmont Natural Gas Company</i>, Docket No. 2002-63-G, Order No. 2002-761 (Nov. 1, 2002); <i>Application of Wild Dunes Utilities, Inc.</i>, Docket No. 89-601-W/S, Order No. 90-650 (July 3, 1990).</p>
South Dakota	<p><i>PRIVATE WATER SYSTEMS NOT REGULATED</i></p>
Tennessee	<p>Yes. <i>See Tennessee-American Water Company</i>, Docket No. 08-00039 (Jan. 13, 2009).</p>
Texas	<p>Yes. CWIP is included at cost as recorded on the utility's books. This is an exceptional form of rate relief to be granted only on the demonstration by the utility by clear and convincing evidence that the inclusion is in the ratepayers' best interest and is necessary to the utility's financial integrity. CWIP may not be included in rate base for major projects that have been inefficiently or imprudently planned or managed. TWC § 13.185(b); <i>see</i> 3 TAC § 291(c)(3)(B).</p>

Utah	Yes. <i>See, e.g., Utah Power and Light Company</i> , 30 PUR4th 197 (1979). Particularly if the costs are well-documented and a good portion of the construction is underway with a date certain for completion.
Vermont	Yes, where there is a reasonable assurance that a facility under construction will be completed and in service during the rate effective year or within 1 year of the rate order. <i>E.g., Central Vermont Public Service Corporation</i> , 72 PUR 4th 733 (1986).
Virginia	Yes. <i>See, e.g., Application of Appalachian Power Company For an Increase in Electric Rates</i> , Case No. PUE-2008-00046 (Final Order entered Nov. 17, 2008); <i>Re Potomac Electric Power Company</i> , 3 PUR4th 197 (1974). If a utility has much construction activity and uses an historical test year, the Commission may permit the utility to pro forma the CWIP balance for an extra 6 months.
Washington	Yes. RCW 80.04.250; <i>see, e.g., Pacific Power and Light Company</i> , 51 PUR4th 158 (1983).
West Virginia	Determined on a case-by-case basis. Also, certain elements of a CWIP project that are completed and in service may be allowed in rate base. <i>Re West Virginia-American Water Company</i> Case No. 03-0353-W-42T (Jan. 2, 2004); <i>see also</i> W. Va. C.S.R. § 150-2-19.4.d (Statement B - Schedule 4 detail of CWIP and adjustments).
Wisconsin	Yes. <i>See, e.g., Superior Water Light & Power Company</i> , Docket No. 5820-UR-111 (Dec. 30, 2008); <i>Superior Water Light & Power Company</i> , Docket No. 5820-UR-110 (Dec. 27, 2006).
Wyoming	Yes. <i>See, e.g., PacifiCorp v. Pub. Serv. Comm'n of Wyoming</i> , Docket No. 20000-ER-03-198 (Feb. 28, 2004).