ALLIANT ENERGY CORP
Form 10-Q
May 02, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2014

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number	Name of Registrant, State of Incorporation, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-9894	ALLIANT ENERGY CORPORATION (a Wisconsin corporation) 4902 N. Biltmore Lane Madison, Wisconsin 53718 Telephone (608) 458-3311	39-1380265
1-4117	INTERSTATE POWER AND LIGHT COMPANY (an Iowa corporation) Alliant Energy Tower Cedar Rapids, Iowa 52401 Telephone (319) 786-4411	42-0331370
0-337	WISCONSIN POWER AND LIGHT COMPANY (a Wisconsin corporation) 4902 N. Biltmore Lane Madison, Wisconsin 53718 Telephone (608) 458-3311	39-0714890

This combined Form 10-Q is separately filed by Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company. Information contained in the Form 10-Q relating to Interstate Power and Light Company and Wisconsin Power and Light Company is filed by each such registrant on its own behalf. Each of Interstate Power and Light Company and Wisconsin Power and Light Company makes no representation as to information relating to registrants other than itself.

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, or smaller reporting companies. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company Filer
Alliant Energy Corporation	x			
Interstate Power and Light Company			x	
Wisconsin Power and Light Company			x	

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

Number of shares outstanding of each class of common stock as of March 31, 2014:

Alliant Energy Corporation	Common stock, $0.01 par value, 110,937,182 shares outstanding
Interstate Power and Light Company	Common stock, $2.50 par value, 13,370,788 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)
Wisconsin Power and Light Company	Common stock, $5 par value, 13,236,601 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)

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DEFINITIONS

The following abbreviations or acronyms used in this Form 10-Q are defined below:

Abbreviation or Acronym	Definition
2013 Form 10-K	Combined Annual Report on Form 10-K filed by Alliant Energy, IPL and WPL for the year ended Dec. 31, 2013
AFUDC	Allowance for funds used during construction
Alliant Energy	Alliant Energy Corporation
AROs	Asset retirement obligations
ATC	American Transmission Company LLC
ATI	AE Transco Investments, LLC
CAA	Clean Air Act
CAIR	Clean Air Interstate Rule
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Columbia	Columbia Energy Center
Corporate Services	Alliant Energy Corporate Services, Inc.
Court	U.S. District Court for the Western District of Wisconsin
CRANDIC	Cedar Rapids and Iowa City Railway Company
CSAPR	Cross-State Air Pollution Rule
CWIP	Construction work in progress
DAEC	Duane Arnold Energy Center
D.C. Circuit Court	U.S. Court of Appeals for the D.C. Circuit
DCP	Deferred Compensation Plan
Dth	Dekatherm
Edgewater	Edgewater Generating Station
EGU	Electric generating unit
EPA	U.S. Environmental Protection Agency
EPB	Emissions Plan and Budget
EPS	Earnings per weighted average common share
FERC	Federal Energy Regulatory Commission
Financial Statements	Condensed Consolidated Financial Statements
FTR	Financial transmission right
Fuel-related	Electric production fuel and energy purchases
GAAP	U.S. generally accepted accounting principles
GHG	Greenhouse gases
HDD	Heating degree days
IPL	Interstate Power and Light Company
IPO	Initial public offering
ITC	ITC Midwest LLC
IUB	Iowa Utilities Board
Jo-Carroll	Jo-Carroll Energy, Inc.
Kewaunee	Kewaunee Nuclear Power Plant
MDA	Management's Discussion and Analysis of Financial Condition and Results of Operations
MGP	Manufactured gas plant
MidAmerican	MidAmerican Energy Company
MISO	Midcontinent Independent System Operator, Inc.
MPUC	Minnesota Public Utilities Commission

MW	Megawatt
MWh	Megawatt-hour
NAAQS	National Ambient Air Quality Standards

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Abbreviation or Acronym	Definition
Nelson Dewey	Nelson Dewey Generating Station
Note(s)	Combined Notes to Condensed Consolidated Financial Statements
NOx	Nitrogen oxide
OPEB	Other postretirement benefits
PJM	PJM Interconnection, LLC
PPA	Purchased power agreement
PSCW	Public Service Commission of Wisconsin
PSD	Prevention of Significant Deterioration
Receivables Agreement	Receivables Purchase and Sale Agreement
Resources	Alliant Energy Resources, LLC
RMT	RMT, Inc.
RTO	Regional Transmission Organization
SCR	Selective catalytic reduction
SIP	State implementation plan
SO2	Sulfur dioxide
SSR	System Support Resource
TransData	TransData, Inc.
U.S.	United States of America
Whiting Petroleum	Whiting Petroleum Corporation
WPL	Wisconsin Power and Light Company
WPL Transco	WPL Transco, LLC
XBRL	Extensible Business Reporting Language

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FORWARD-LOOKING STATEMENTS

Statements contained in this report that are not of historical fact are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified as such because the statements include words such as “may,” “believe,” “expect,” “anticipate,” “plan,” “project,” “will,” “projections,” “estimate,” or other words of similar import. Similarly, statemen describe future financial performance or plans or strategies are forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Some, but not all, of the risks and uncertainties of Alliant Energy, IPL and WPL that could materially affect actual results include:

- federal and state regulatory or governmental actions, including the impact of energy, tax, financial and health care legislation, and of regulatory agency orders;
- IPL’s and WPL’s ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of fuel costs, operating costs, transmission costs, deferred expenditures, capital expenditures, and remaining costs related to EGUs that may be permanently closed, earning their authorized rates of return, and the payments to their parent of expected levels of dividends;
- the ability to continue cost controls and operational efficiencies;
- the impact of IPL’s proposed retail electric base rate freeze in Iowa during 2014 through 2016;
- the impact of WPL’s proposed retail electric and gas base rate freeze in Wisconsin during 2015 and 2016;
- weather effects on results of utility operations, including impacts of temperature changes in IPL’s and WPL’s service territories on customers’ demand for electricity and gas;
- the impact of the economy in IPL’s and WPL’s service territories and the resulting impacts on sales volumes, margins and the ability to collect unpaid bills;
- the impact of energy efficiency, franchise retention and customer-owned generation on sales volumes and margins;
- developments that adversely impact Alliant Energy’s, IPL’s and WPL’s ability to implement their strategic plan, including unanticipated issues with new emission controls equipment for various coal-fired EGUs of IPL and WPL, IPL’s construction of its natural gas-fired EGU in Iowa, WPL’s potential generation investment, Resources’ selling price of the electricity output from its Franklin County wind project, the potential decommissioning of certain EGUs of IPL and WPL, and the proposed sales of IPL’s electric and gas distribution assets in Minnesota;
- issues related to the availability of EGUs and the supply and delivery of fuel and purchased electricity and the price thereof, including the ability to recover and to retain the recovery of purchased power, fuel and fuel-related costs through rates in a timely manner;
- the impact that price changes may have on IPL’s and WPL’s customers’ demand for utility services;
- the impact of distributed generation, including alternative electric suppliers, in IPL’s and WPL’s service territories on system reliability, operating expenses and customers’ demand for electricity;
- issues associated with environmental remediation and environmental compliance, including compliance with the Consent Decree between WPL, the Sierra Club and the EPA, future changes in environmental laws and regulations, and litigation associated with environmental requirements;
- the ability to defend against environmental claims brought by state and federal agencies, such as the EPA, or third parties, such as the Sierra Club;
- the ability to recover through rates all environmental compliance and remediation costs, including costs for projects put on hold due to uncertainty of future environmental laws and regulations;
- impacts that storms or natural disasters in IPL’s and WPL’s service territories may have on their operations and recovery of, and rate relief for, costs associated with restoration activities;

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- the direct or indirect effects resulting from terrorist incidents, including physical attacks and cyber attacks, or responses to such incidents;
- the impact of penalties or third-party claims related to, or in connection with, a failure to maintain the security of personally identifiable information, including associated costs to notify affected persons and to mitigate their information security concerns;
- impacts of future tax benefits from deductions for repairs expenditures and allocation of mixed service costs and temporary differences from historical tax benefits from such deductions that are included in rates when the differences reverse in future periods;
- any material post-closing adjustments related to any past asset divestitures, including the sale of RMT;
- continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;
- inflation and interest rates;
- changes to the creditworthiness of counterparties with which Alliant Energy, IPL and WPL have contractual arrangements, including participants in the energy markets and fuel suppliers and transporters;
- issues related to electric transmission, including operating in RTO energy and ancillary services markets, the impacts of potential future billing adjustments and cost allocation changes from RTOs and recovery of costs incurred;
- unplanned outages, transmission constraints or operational issues impacting fossil or renewable EGUs and risks related to recovery of resulting incremental costs through rates;
- current or future litigation, regulatory investigations, proceedings or inquiries;
- Alliant Energy's ability to sustain its dividend payout ratio goal;
- employee workforce factors, including changes in key executives, collective bargaining agreements and negotiations, work stoppages or restructurings;
- access to technological developments;
- material changes in retirement and benefit plan costs;
- the impact of performance-based compensation plans accruals;
- the effect of accounting pronouncements issued periodically by standard-setting bodies;
- the impact of changes to production tax credits for wind projects;
- the impact of adjustments made to deferred tax assets and liabilities from state apportionment assumptions;
- the ability to utilize tax credits and net operating losses generated to date, and those that may be generated in the future, before they expire;
- the ability to successfully complete tax audits, changes in tax accounting methods, including changes required by new tangible property regulations, and appeals with no material impact on earnings and cash flows; and
- factors listed in MDA and Risk Factors in Item 1A in the 2013 Form 10-K.

Alliant Energy, IPL and WPL each assume no obligation, and disclaim any duty, to update the forward-looking statements in this report, except as required by law.

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PART I. FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended March 31,	
	2014	2013
	(in millions, except per share amounts)	
Operating revenues:		
Utility:		
Electric	$675.8	$633.2
Gas	240.7	197.3
Other	22.8	17.2
Non-regulated	13.5	11.9
Total operating revenues	952.8	859.6
Operating expenses:		
Utility:		
Electric production fuel and energy purchases	213.9	179.1
Purchased electric capacity	24.8	57.0
Electric transmission service	114.1	103.7
Cost of gas sold	161.9	128.0
Other operation and maintenance	161.0	150.2
Non-regulated operation and maintenance	1.3	2.2
Depreciation and amortization	95.5	92.6
Taxes other than income taxes	26.1	26.1
Total operating expenses	798.6	738.9
Operating income	154.2	120.7
Interest expense and other:		
Interest expense	45.2	42.6
Equity income from unconsolidated investments, net	(11.4)	(10.7)
Allowance for funds used during construction	(9.1)	(5.6)
Interest income and other	(1.7)	(0.8)
Total interest expense and other	23.0	25.5
Income from continuing operations before income taxes	131.2	95.2
Income taxes	20.6	12.1
Income from continuing operations, net of tax	110.6	83.1
Loss from discontinued operations, net of tax	—	(3.0)
Net income	110.6	80.1
Preferred dividend requirements of subsidiaries	2.6	10.2
Net income attributable to Alliant Energy common shareowners	$108.0	$69.9
Weighted average number of common shares outstanding (basic and diluted)	110.8	110.8
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):		
Income from continuing operations, net of tax	$0.97	$0.66
Loss from discontinued operations, net of tax	—	(0.03)
Net income	$0.97	$0.63
Amounts attributable to Alliant Energy common shareowners:		

Income from continuing operations, net of tax	$108.0	$72.9
Loss from discontinued operations, net of tax	—	(3.0)
Net income attributable to Alliant Energy common shareowners	$108.0	$69.9
Dividends declared per common share	$0.51	$0.47

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2014	December 31, 2013
	(in millions)	
ASSETS		
Property, plant and equipment:		
Utility:		
Electric plant	$9,510.8	$9,415.7
Gas plant	918.8	909.9
Other plant	550.8	547.9
Accumulated depreciation	(3,789.5)	(3,726.2)
Net plant	7,190.9	7,147.3
Construction work in progress:		
Columbia Energy Center Units 1 and 2 emission controls (WPL)	274.6	265.0
Ottumwa Generating Station Unit 1 emission controls (IPL)	144.0	135.1
George Neal Generating Station Unit 3 emission controls (IPL)	59.6	54.6
Other	252.2	223.2
Other, less accumulated depreciation	22.3	22.3
Total utility	7,943.6	7,847.5
Non-regulated and other:		
Non-regulated Generation, less accumulated depreciation	247.2	249.4
Alliant Energy Corporate Services, Inc. and other, less accumulated depreciation	235.4	229.6
Total non-regulated and other	482.6	479.0
Total property, plant and equipment	8,426.2	8,326.5
Current assets:		
Cash and cash equivalents	14.5	9.8
Accounts receivable, less allowance for doubtful accounts:		
Customer	106.6	81.8
Unbilled utility revenues	78.3	92.3
Other	311.7	299.2
Production fuel, at weighted average cost	68.8	103.6
Materials and supplies, at weighted average cost	72.1	69.6
Gas stored underground, at weighted average cost	10.1	38.6
Regulatory assets	64.4	53.9
Other	209.7	262.4
Total current assets	936.2	1,011.2
Investments:		
Investment in American Transmission Company LLC	276.9	272.1
Other	56.0	57.5
Total investments	332.9	329.6
Other assets:		
Regulatory assets	1,352.9	1,359.3
Deferred charges and other	68.6	85.8
Total other assets	1,421.5	1,445.1
Total assets	$11,116.8	$11,112.4

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

	March 31, 2014	December 31, 2013
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Alliant Energy Corporation common equity:		
Common stock - $0.01 par value - 240,000,000 shares authorized; 110,937,182 and 110,943,669 shares outstanding	$1.1	$1.1
Additional paid-in capital	1,506.4	1,507.8
Retained earnings	1,832.2	1,780.7
Accumulated other comprehensive loss	(0.2)	(0.2)
Shares in deferred compensation trust - 224,076 and 227,469 shares at a weighted average cost of $35.89 and $35.25 per share	(8.0)	(8.0)
Total Alliant Energy Corporation common equity	3,331.5	3,281.4
Cumulative preferred stock of Interstate Power and Light Company	200.0	200.0
Noncontrolling interest	1.7	1.8
Total equity	3,533.2	3,483.2
Long-term debt, net (excluding current portion)	2,980.6	2,977.8
Total capitalization	6,513.8	6,461.0
Current liabilities:		
Current maturities of long-term debt	358.8	358.5
Commercial paper	221.3	279.4
Accounts payable	388.1	365.0
Regulatory liabilities	224.5	196.6
Other	191.5	233.8
Total current liabilities	1,384.2	1,433.3
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	2,141.7	2,112.7
Regulatory liabilities	611.9	624.9
Pension and other benefit obligations	203.0	206.6
Other	262.2	273.9
Total long-term liabilities and deferred credits	3,218.8	3,218.1
Commitments and contingencies (Note 13)		
Total capitalization and liabilities	$11,116.8	$11,112.4

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Three Months Ended March 31,	
	2014	2013
	(in millions)	
Cash flows from operating activities:		
Net income	$110.6	$80.1
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	95.5	92.6
Other amortizations	15.1	9.7
Deferred taxes and investment tax credits	35.9	22.5
Equity income from unconsolidated investments, net	(11.4)	(10.7)
Distributions from equity method investments	9.4	8.9
Other	(7.2)	(3.6)
Other changes in assets and liabilities:		
Accounts receivable	(55.6)	(12.9)
Sales of accounts receivable	46.0	(30.0)
Production fuel	34.8	3.3
Gas stored underground	28.5	28.7
Regulatory assets	(20.7)	19.9
Accounts payable	25.4	1.5
Derivative liabilities	(11.8)	(23.3)
Other	(0.9)	11.9
Net cash flows from operating activities	293.6	198.6
Cash flows used for investing activities:		
Construction and acquisition expenditures:		
Utility business	(159.0)	(153.2)
Alliant Energy Corporate Services, Inc. and non-regulated businesses	(14.0)	(14.1)
Proceeds from Franklin County wind project cash grant	—	62.4
Other	(3.8)	(14.8)
Net cash flows used for investing activities	(176.8)	(119.7)
Cash flows used for financing activities:		
Common stock dividends	(56.5)	(52.2)
Preferred dividends paid by subsidiaries	(2.6)	(3.8)
Payments to redeem cumulative preferred stock of IPL and WPL	—	(211.0)
Proceeds from issuance of cumulative preferred stock of IPL	—	200.0
Net change in commercial paper	(58.1)	10.9
Other	5.1	9.4
Net cash flows used for financing activities	(112.1)	(46.7)
Net increase in cash and cash equivalents	4.7	32.2
Cash and cash equivalents at beginning of period	9.8	21.2
Cash and cash equivalents at end of period	$14.5	$53.4
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest, net of capitalized interest	$41.4	$43.5
Income taxes, net of refunds	($3.9)	$2.3
Significant non-cash investing and financing activities:		

Accrued capital expenditures	$85.9	$99.5

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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INTERSTATE POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended March 31,	
	2014	2013
	(in millions)	
Operating revenues:		
Electric utility	$374.2	$350.2
Gas utility	135.7	114.3
Steam and other	19.0	13.4
Total operating revenues	528.9	477.9
Operating expenses:		
Electric production fuel and energy purchases	115.2	96.7
Purchased electric capacity	24.8	41.4
Electric transmission service	83.6	74.6
Cost of gas sold	88.1	72.1
Other operation and maintenance	97.2	90.5
Depreciation and amortization	48.7	47.6
Taxes other than income taxes	13.8	13.9
Total operating expenses	471.4	436.8
Operating income	57.5	41.1
Interest expense and other:		
Interest expense	22.5	19.6
Allowance for funds used during construction	(6.0)	(3.8)
Interest income and other	—	(0.1)
Total interest expense and other	16.5	15.7
Income before income taxes	41.0	25.4
Income tax benefit	(5.0)	(6.1)
Net income	46.0	31.5
Preferred dividend requirements	2.6	8.6
Earnings available for common stock	$43.4	$22.9

Earnings per share data is not disclosed given Alliant Energy Corporation is the sole shareowner of all shares of IPL’s common stock outstanding during the periods presented.

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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INTERSTATE POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2014	December 31, 2013
	(in millions)	
ASSETS		
Property, plant and equipment:		
Electric plant	$5,089.0	$5,034.9
Gas plant	463.5	456.8
Steam and other plant	304.3	302.8
Accumulated depreciation	(2,055.5)	(2,025.3)
Net plant	3,801.3	3,769.2
Construction work in progress:		
Ottumwa Generating Station Unit 1 emission controls	144.0	135.1
George Neal Generating Station Unit 3 emission controls	59.6	54.6
Other	168.1	156.7
Other, less accumulated depreciation	21.3	21.2
Total property, plant and equipment	4,194.3	4,136.8
Current assets:		
Cash and cash equivalents	5.8	4.4
Accounts receivable, less allowance for doubtful accounts	257.5	246.9
Production fuel, at weighted average cost	54.6	75.6
Materials and supplies, at weighted average cost	40.6	39.4
Gas stored underground, at weighted average cost	5.6	18.9
Regulatory assets	26.6	28.5
Other	106.6	122.2
Total current assets	497.3	535.9
Investments	18.6	18.6
Other assets:		
Regulatory assets	1,091.4	1,085.0
Deferred charges and other	29.0	29.7
Total other assets	1,120.4	1,114.7
Total assets	$5,830.6	$5,806.0

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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INTERSTATE POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

	March 31, 2014	December 31, 2013
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Interstate Power and Light Company common equity:		
Common stock - $2.50 par value - 24,000,000 shares authorized; 13,370,788 shares outstanding	$33.4	$33.4
Additional paid-in capital	1,182.8	1,152.8
Retained earnings	501.9	493.5
Total Interstate Power and Light Company common equity	1,718.1	1,679.7
Cumulative preferred stock	200.0	200.0
Total equity	1,918.1	1,879.7
Long-term debt, net (excluding current portion)	1,520.2	1,520.0
Total capitalization	3,438.3	3,399.7
Current liabilities:		
Current maturities of long-term debt	38.4	38.4
Accounts payable	214.7	187.1
Accounts payable to associated companies	0.3	29.1
Regulatory liabilities	155.2	143.8
Accrued taxes	37.4	51.1
Other	61.9	74.8
Total current liabilities	507.9	524.3
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	1,216.0	1,193.0
Regulatory liabilities	448.8	471.1
Pension and other benefit obligations	47.9	48.6
Other	171.7	169.3
Total other long-term liabilities and deferred credits	1,884.4	1,882.0
Commitments and contingencies (Note 13)		
Total capitalization and liabilities	$5,830.6	$5,806.0

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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INTERSTATE POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Three Months Ended March 31, 2014	2013
	(in millions)	
Cash flows from operating activities:		
Net income	$46.0	$31.5
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	48.7	47.6
Deferred tax expense (benefit) and investment tax credits	12.4	(10.7)
Other	(2.3)	(0.7)
Other changes in assets and liabilities:		
Accounts receivable	(48.9)	(34.7)
Sales of accounts receivable	46.0	(30.0)
Production fuel	21.0	0.8
Accounts payable	28.8	8.1
Accounts payable to associated companies	(28.8)	8.1
Regulatory liabilities	(9.0)	14.7
Deferred income taxes	20.3	23.4
Other	(28.6)	7.1
Net cash flows from operating activities	105.6	65.2
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(91.1)	(77.5)
Other	(5.5)	(5.7)
Net cash flows used for investing activities	(96.6)	(83.2)
Cash flows from (used for) financing activities:		
Common stock dividends	(35.0)	(31.6)
Preferred stock dividends	(2.6)	(3.2)
Capital contributions from parent	30.0	30.0
Payments to redeem cumulative preferred stock	—	(150.0)
Proceeds from issuance of cumulative preferred stock	—	200.0
Net change in commercial paper	—	(41.3)
Other	—	14.3
Net cash flows from (used for) financing activities	(7.6)	18.2
Net increase in cash and cash equivalents	1.4	0.2
Cash and cash equivalents at beginning of period	4.4	4.5
Cash and cash equivalents at end of period	$5.8	$4.7
Supplemental cash flows information:		
Cash paid during the period for:		
Interest	$19.3	$21.1
Income taxes, net of refunds	$1.5	$4.8
Significant non-cash investing and financing activities:		
Accrued capital expenditures	$46.3	$60.7

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended March 31,	
	2014	2013
	(in millions)	
Operating revenues:		
Electric utility	$301.6	$283.0
Gas utility	105.0	83.0
Other	3.8	3.8
Total operating revenues	410.4	369.8
Operating expenses:		
Electric production fuel and energy purchases	98.7	82.4
Purchased electric capacity	—	15.6
Electric transmission service	30.5	29.1
Cost of gas sold	73.8	55.9
Other operation and maintenance	63.8	59.7
Depreciation and amortization	44.7	43.1
Taxes other than income taxes	11.2	11.3
Total operating expenses	322.7	297.1
Operating income	87.7	72.7
Interest expense and other:		
Interest expense	21.1	21.3
Equity income from unconsolidated investments	(11.4)	(10.8)
Allowance for funds used during construction	(3.1)	(1.8)
Interest income and other	—	(0.1)
Total interest expense and other	6.6	8.6
Income before income taxes	81.1	64.1
Income taxes	26.3	20.5
Net income	54.8	43.6
Preferred dividend requirements	—	1.6
Earnings available for common stock	$54.8	$42.0

Earnings per share data is not disclosed given Alliant Energy Corporation is the sole shareowner of all shares of WPL's common stock outstanding during the periods presented.

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2014	December 31, 2013
	(in millions)	
ASSETS		
Property, plant and equipment:		
Electric plant	$4,421.8	$4,380.8
Gas plant	455.3	453.1
Other plant	246.5	245.1
Accumulated depreciation	(1,734.0)	(1,700.9)
Net plant	3,389.6	3,378.1
Leased Sheboygan Falls Energy Facility, less accumulated amortization	69.3	70.9
Construction work in progress:		
Columbia Energy Center Units 1 and 2 emission controls	274.6	265.0
Other	84.1	66.5
Other, less accumulated depreciation	1.0	1.1
Total property, plant and equipment	3,818.6	3,781.6
Current assets:		
Cash and cash equivalents	4.9	0.5
Accounts receivable, less allowance for doubtful accounts:		
Customer	98.8	73.0
Unbilled utility revenues	78.3	92.3
Other	39.7	33.1
Production fuel, at weighted average cost	14.2	28.0
Materials and supplies, at weighted average cost	29.6	28.9
Gas stored underground, at weighted average cost	4.5	19.7
Regulatory assets	37.8	25.4
Other	92.5	101.7
Total current assets	400.3	402.6
Investments:		
Investment in American Transmission Company LLC	276.9	272.1
Other	17.9	19.5
Total investments	294.8	291.6
Other assets:		
Regulatory assets	261.5	274.3
Deferred charges and other	38.5	54.3
Total other assets	300.0	328.6
Total assets	$4,813.7	$4,804.4

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

	March 31, 2014	December 31, 2013
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Wisconsin Power and Light Company common equity:		
Common stock - $5 par value - 18,000,000 shares authorized; 13,236,601 shares outstanding	$66.2	$66.2
Additional paid-in capital	959.0	959.0
Retained earnings	642.3	617.2
Total Wisconsin Power and Light Company common equity	1,667.5	1,642.4
Noncontrolling interest	2.6	—
Total equity	1,670.1	1,642.4
Long-term debt, net (excluding current portion)	1,323.7	1,323.6
Total capitalization	2,993.8	2,966.0
Current liabilities:		
Current maturities of long-term debt	8.5	8.5
Commercial paper	155.5	183.7
Accounts payable	114.2	120.0
Accounts payable to associated companies	20.2	26.0
Regulatory liabilities	69.3	52.8
Other	64.0	60.5
Total current liabilities	431.7	451.5
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	902.0	897.1
Regulatory liabilities	163.1	153.8
Capital lease obligations - Sheboygan Falls Energy Facility	93.3	94.5
Pension and other benefit obligations	87.4	88.4
Other	142.4	153.1
Total long-term liabilities and deferred credits	1,388.2	1,386.9
Commitments and contingencies (Note 13)		
Total capitalization and liabilities	$4,813.7	$4,804.4

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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WISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Three Months Ended March 31,	
	2014	2013
	(in millions)	
Cash flows from operating activities:		
Net income	$54.8	$43.6
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	44.7	43.1
Other amortizations	12.8	7.1
Deferred taxes and investment tax credits	20.8	26.7
Equity income from unconsolidated investments	(11.4)	(10.8)
Distributions from equity method investments	9.4	8.9
Other	(2.1)	(1.3)
Other changes in assets and liabilities:		
Regulatory assets	(10.9)	13.3
Derivative assets	(19.8)	(2.4)
Accrued taxes	5.4	(24.3)
Regulatory liabilities	26.1	5.8
Other	(1.1)	(4.3)
Net cash flows from operating activities	128.7	105.4
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(67.9)	(75.7)
Other	(2.6)	(0.4)
Net cash flows used for investing activities	(70.5)	(76.1)
Cash flows used for financing activities:		
Common stock dividends	(29.7)	(29.1)
Payments to redeem cumulative preferred stock	—	(61.0)
Net change in commercial paper	(28.2)	73.4
Other	4.1	(4.9)
Net cash flows used for financing activities	(53.8)	(21.6)
Net increase in cash and cash equivalents	4.4	7.7
Cash and cash equivalents at beginning of period	0.5	0.7
Cash and cash equivalents at end of period	$4.9	$8.4
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest	$23.2	$23.4
Income taxes, net of refunds	($0.6)	$25.9
Significant non-cash investing and financing activities:		
Accrued capital expenditures	$33.7	$35.0

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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ALLIANT ENERGY CORPORATION
INTERSTATE POWER AND LIGHT COMPANY
WISCONSIN POWER AND LIGHT COMPANY

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
General - The interim unaudited Financial Statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, although management believes that the disclosures are adequate to make the information presented not misleading. These Financial Statements should be read in conjunction with the financial statements and the notes thereto included in the latest combined Annual Report on Form 10-K.

In the opinion of management, all adjustments, which unless otherwise noted are normal and recurring in nature, necessary for a fair presentation of the results of operations, financial position and cash flows have been made. Results for the three months ended March 31, 2014 are not necessarily indicative of results that may be expected for the year ending December 31, 2014. A change in management's estimates or assumptions could have a material impact on financial condition and results of operations during the period in which such change occurred. Certain prior period amounts in the Financial Statements and Notes have been reclassified to conform to the current period presentation for comparative purposes. Unless otherwise noted, the Notes herein exclude discontinued operations for all periods presented.

(2) REGULATORY MATTERS
Regulatory Assets and Regulatory Liabilities -
Regulatory assets were comprised of the following items (in millions):

	Alliant Energy		IPL		WPL	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Tax-related	$834.0	$829.7	$808.3	$798.6	$25.7	$31.1
Pension and OPEB costs	351.8	355.3	172.6	174.2	179.2	181.1
AROs	68.5	65.7	38.6	36.7	29.9	29.0
Environmental-related costs	27.8	25.0	23.0	21.0	4.8	4.0
Emission allowances	29.2	30.0	29.2	30.0	—	—
Derivatives	9.1	21.1	2.5	5.9	6.6	15.2
Other	96.9	86.4	43.8	47.1	53.1	39.3
	$1,417.3	$1,413.2	$1,118.0	$1,113.5	$299.3	$299.7

Regulatory liabilities were comprised of the following items (in millions):

	Alliant Energy		IPL		WPL	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Cost of removal obligations	$420.0	$418.9	$279.3	$277.7	$140.7	$141.2
IPL's tax benefit riders	239.8	265.4	239.8	265.4	—	—
Energy efficiency cost recovery	64.1	52.7	14.9	9.3	49.2	43.4
Derivatives	33.3	7.2	8.8	3.6	24.5	3.6
IPL's electric transmission cost recovery	21.2	14.6	21.2	14.6	—	—

IPL’s electric transmission assets sale	18.8	21.6	18.8	21.6	—	—
Other	39.2	41.1	21.2	22.7	18.0	18.4
	$836.4	$821.5	$604.0	$614.9	$232.4	$206.6

Derivatives - Refer to Note 12 for discussion of derivative assets and derivative liabilities.

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IPL's tax benefit riders - IPL's tax benefit riders utilize regulatory liabilities to credit bills of IPL's Iowa retail electric and gas customers to help offset the impact of rate increases on such customers. These regulatory liabilities are related to tax benefits from tax accounting method changes for repairs expenditures, allocation of mixed service costs and allocation of insurance proceeds from floods in 2008. For the three months ended March 31, 2014, Alliant Energy and IPL utilized "IPL's tax benefit riders" regulatory liabilities to credit IPL's Iowa retail electric and gas customers' bills as follows (in millions):

Electric tax benefit rider	$23
Gas tax benefit rider	3
	$26

Refer to Note 8 for additional details regarding the tax benefit riders.

Utility Rate Cases -
WPL's Wisconsin Retail Electric and Gas Rate Case (2015/2016 Test Period) - In April 2014, after discussions with PSCW staff and intervener groups, WPL filed a retail base rate filing with the PSCW based on a forward-looking test period that includes 2015 and 2016. The filing requested approval for WPL to implement a $5 million decrease in annual base rates for WPL's retail gas customers effective January 1, 2015 followed by a freeze of such gas base rates through the end of 2016. The filing also requested authority to maintain customer base rates for WPL's retail electric customers at their current levels through the end of 2016. WPL currently expects a decision from the PSCW regarding this rate filing in the second quarter of 2014.

IPL's Iowa Retail Electric Rate Case (2013 Test Year) - In March 2014, after reaching a unanimous agreement with parties to the DAEC PPA proceeding, IPL filed with the IUB a settlement agreement and joint motion for approval of the settlement agreement to extend IPL's Iowa retail electric base rate freeze through 2016 and provide retail electric customer billing credits of $70 million in 2014 (beginning May 2014), decreasing to $25 million in 2015 and further decreasing to $10 million in 2016. IPL currently expects a decision from the IUB regarding the settlement agreement in the second quarter of 2014.

IPL's Iowa Retail Electric Rate Case (2009 Test Year) -
Electric Tax Benefit Rider - In 2013, the IUB authorized IPL to reduce the electric tax benefit rider billing credits on customers' bills by $24 million in 2013 and $15 million in 2014 to recognize the revenue requirement impact of the changes in tax accounting methods. For the three months ended March 31, 2014 and 2013, both Alliant Energy and IPL recognized $3.9 million and $5.5 million, respectively, of the revenue requirement adjustment resulting in increases to electric revenues in their income statements. The revenue requirement adjustment was recognized through the energy adjustment clause as a reduction of the credits on IPL's Iowa retail electric customers' bills from the electric tax benefit rider.

WPL's Retail Fuel-related Rate Filing (2014 Test Year) - In December 2013, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $19 million, or approximately 2%, effective January 1, 2014 to reflect anticipated increases in retail fuel-related costs in 2014 compared to the fuel-related cost estimates used to determine rates for 2013. WPL's 2014 fuel-related costs will be subject to deferral if they fall outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL through March 31, 2014 were higher than fuel-related costs used to determine rates for such period resulting in an under-collection of fuel-related costs during the first quarter of 2014. As of March 31, 2014, Alliant Energy and WPL recorded $10 million in "Regulatory assets" on their balance sheets for fuel-related costs incurred in the first quarter of 2014 that are expected to fall outside the approved bandwidth for 2014. The $10 million of deferred fuel-related costs is included in "Other" in Alliant Energy's and WPL's regulatory assets table above.

(3) RECEIVABLES

(a) Sales of Accounts Receivable - IPL maintains a Receivables Agreement whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third party through wholly-owned and consolidated special purpose entities. The transfers of receivables meet the criteria for sale accounting established by the transfer of financial assets accounting rules. In March 2014, IPL extended through March 2016 the purchase commitment from the third party to which it sells its receivables. In exchange for the receivables sold, cash proceeds are received from the third party, and deferred proceeds are recorded in accounts receivable on Alliant Energy’s and IPL’s balance sheets.

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As of March 31, 2014 and December 31, 2013, IPL sold $251.6 million and $238.0 million aggregate amounts of receivables, respectively. Maximum and average outstanding cash proceeds, and costs incurred related to the sales of accounts receivable program for the three months ended March 31 were as follows (in millions):

	2014	2013
Maximum outstanding aggregate cash proceeds (based on daily outstanding balances)	$75.0	$170.0
Average outstanding aggregate cash proceeds (based on daily outstanding balances)	27.6	139.2
Costs incurred	0.2	0.3

The attributes of IPL's receivables sold under the Receivables Agreement were as follows (in millions):

	March 31, 2014	December 31, 2013
Customer accounts receivable	$183.9	$151.6
Unbilled utility revenues	67.6	86.2
Other receivables	0.1	0.2
Receivables sold	251.6	238.0
Less: cash proceeds (a)	75.0	29.0
Deferred proceeds	176.6	209.0
Less: allowance for doubtful accounts	5.8	5.5
Fair value of deferred proceeds	$170.8	$203.5
Outstanding receivables past due	$27.4	$21.5

(a) Changes in cash proceeds are presented in "Sales of accounts receivable" in operating activities in Alliant Energy's and IPL's cash flows statements.

Additional attributes of IPL's receivables sold under the Receivables Agreement for the three months ended March 31 were as follows (in millions):

	2014	2013
Collections reinvested in receivables	$541.4	$491.3
Credit losses, net of recoveries	2.5	1.9

(b) Whiting Petroleum Tax Sharing Agreement - Prior to an IPO of Whiting Petroleum in 2003, Alliant Energy and Whiting Petroleum entered into a tax separation and indemnification agreement pursuant to which Alliant Energy and Whiting Petroleum made certain tax elections. These tax elections had the effect of increasing the tax basis of the assets of Whiting Petroleum's consolidated tax group based on the sales price of Whiting Petroleum's shares in the IPO. The increase in the tax basis of the assets was included in income in Alliant Energy's U.S. federal income tax return for the calendar year 2003. Pursuant to the tax separation and indemnification agreement, Whiting Petroleum paid Resources the final payment of $26 million in March 2014, which represented the present value of certain future tax benefits expected to be realized by Whiting Petroleum through future tax deductions and resulted in a decrease in "Prepayments and other" on Alliant Energy's balance sheet in 2014. The $26 million received by Alliant Energy is presented in operating activities in its cash flows statement for the three months ended March 31, 2014.

(4) INVESTMENTS

Unconsolidated Equity Investments - Equity (income) loss from unconsolidated investments accounted for under the equity method of accounting for the three months ended March 31 was as follows (in millions):

	Alliant Energy		WPL	
	2014	2013	2014	2013
ATC	($11.2)	($10.3)	($11.2)	($10.3)

Other	(0.2)	(0.4)	(0.2)	(0.5)
	($11.4)	($10.7)	($11.4)	($10.8)

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WPL's Noncontrolling Interest - As of December 31, 2013, WPL, through its ownership interest in WPL Transco, held a 16% ownership interest in ATC. In January 2014, WPL Transco's operating agreement was amended to allow ATI, a wholly-owned subsidiary of Resources, to become a member of WPL Transco in addition to WPL. ATI is expected to fund future capital contributions that WPL Transco will make to ATC. The first such contribution by ATI was in the first quarter of 2014. As of March 31, 2014, WPL's noncontrolling interest reflects ATI's ownership interest in WPL Transco, which was presented in total equity on WPL's balance sheet.

As a result of ATI funding future capital contributions to ATC, WPL's ownership interest in WPL Transco is expected to decrease over time and ATI's ownership interest in WPL Transco is expected to increase over time. WPL Transco's equity income from ATC and future ATC dividends received by WPL Transco will be allocated between WPL and ATI based on their respective ownership interests at the time the equity income is generated and at the time of the dividend payments. Alliant Energy's aggregate investment in ATC is not expected to change as a result of WPL Transco's amended operating agreement.

(5) COMMON EQUITY

Common Share Activity - A summary of Alliant Energy's common stock activity was as follows:

Shares outstanding, January 1, 2014	110,943,669	
Equity-based compensation plans (Note 9(b))	37,049	
Other	(43,536	)
Shares outstanding, March 31, 2014	110,937,182	

Dividend Restrictions - As of March 31, 2014, IPL's amount of retained earnings that were free of dividend restrictions was $502 million. As of March 31, 2014, WPL's amount of retained earnings that were free of dividend restrictions was $89 million for the remainder of 2014.

Restricted Net Assets of Subsidiaries - As of March 31, 2014, the amount of net assets of IPL and WPL that were not available to be transferred to their parent company, Alliant Energy, in the form of loans, advances or cash dividends without the consent of IPL's and WPL's regulatory authorities was $1.2 billion and $1.6 billion, respectively.

Capital Transactions with Subsidiaries - For the three months ended March 31, 2014, IPL received capital contributions of $30.0 million from its parent company. For the three months ended March 31, 2014, IPL and WPL each paid common stock dividends of $35.0 million and $29.7 million, respectively, to its parent company.

Comprehensive Income - For the three months ended March 31, 2014 and 2013, Alliant Energy had no other comprehensive income; therefore, its comprehensive income was equal to its net income and its comprehensive income attributable to Alliant Energy common shareowners was equal to its net income attributable to Alliant Energy common shareowners for such periods. For the three months ended March 31, 2014 and 2013, IPL and WPL had no other comprehensive income; therefore, their comprehensive income was equal to their net income and their comprehensive income available for common stock was equal to their earnings available for common stock for such periods.

(6) REDEEMABLE PREFERRED STOCK

IPL - In March 2013, IPL redeemed all 6,000,000 outstanding shares of its 8.375% cumulative preferred stock for $150 million plus accrued and unpaid dividends to the redemption date. Alliant Energy and IPL recorded a $5 million charge during the three months ended March 31, 2013 related to this transaction in "Preferred dividend requirements" in their income statements.

WPL - In March 2013, WPL redeemed all 1,049,225 outstanding shares of its 4.40% through 6.50% cumulative preferred stock for $61 million plus accrued and unpaid dividends to the redemption date. Alliant Energy and WPL recorded a $1 million charge during the three months ended March 31, 2013 related to this transaction in “Preferred dividend requirements” in their income statements.

Refer to Note 11 for information on the fair value of cumulative preferred stock.

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(7) DEBT

Short-term Debt - Information regarding commercial paper classified as short-term debt and back-stopped by the credit facilities was as follows (dollars in millions):

March 31, 2014	Alliant Energy (Consolidated)	Parent Company	IPL	WPL
Commercial paper:				
Amount outstanding	$221.3	$65.8	$—	$155.5
Weighted average remaining maturity	1 day	1 day	N/A	2 days
Weighted average interest rates	0.1%	0.2%	N/A	0.1%
Available credit facility capacity	$778.7	$234.2	$300.0	$244.5

	Alliant Energy		IPL		WPL	
Three Months Ended March 31	2014	2013	2014	2013	2014	2013
Maximum amount outstanding (based on daily outstanding balances)	$316.2	$243.4	$10.0	$26.3	$204.7	$160.0
Average amount outstanding (based on daily outstanding balances)	$275.6	$170.8	$0.3	$4.8	$173.0	$72.9
Weighted average interest rates	0.1 %	0.3 %	0.2 %	0.4 %	0.1 %	0.2 %

(8) INCOME TAXES

Income Tax Rates - The provision for income taxes for earnings from continuing operations is based on an estimated annual effective income tax rate that excludes the impact of significant unusual or infrequently occurring items, discontinued operations or extraordinary items. The overall income tax rates shown in the following table were computed by dividing income tax expense (benefit) by income from continuing operations before income taxes.

	Alliant Energy		IPL		WPL	
Three Months Ended March 31	2014	2013	2014	2013	2014	2013
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %
IPL’s tax benefit riders	(11.9)	(12.8)	(31.2)	(37.3)	—	—
Production tax credits	(6.7)	(7.5)	(8.3)	(9.7)	(6.4)	(6.9)
Effect of rate-making on property-related differences	(5.3)	(5.0)	(12.4)	(14.0)	(1.0)	(0.3)
Other items, net	4.6	3.0	4.7	2.0	4.8	4.2
Overall income tax rate	15.7 %	12.7 %	(12.2 %)	(24.0 %)	32.4 %	32.0 %

IPL’s tax benefit riders - Alliant Energy’s and IPL’s effective income tax rates include the impact of reducing income tax expense with offsetting reductions to regulatory liabilities as a result of implementing IPL’s tax benefit riders. Refer to Note 2 for additional details of the tax benefit riders.

Production tax credits - For the three months ended March 31, details regarding production tax credits (net of state tax impacts) related to various wind projects are as follows (dollars in millions):

	End of Production Tax Credit Generation	Nameplate Capacity in MW	Production Tax Credits 2014	2013
Cedar Ridge (WPL)	December 2018	68	$1.2	$1.2
Bent Tree - Phase I (WPL)	February 2021	201	4.2	3.5
Subtotal (WPL)			5.4	4.7
Whispering Willow - East (IPL)	December 2019	200	4.6	3.9
			$10.0	$8.6

Effect of rate-making on property-related differences - Alliant Energy’s and IPL’s effective income tax rates are impacted by certain property-related differences for which deferred tax is not recognized in the income statement pursuant to rate-making principles, substantially all of which relates to IPL.

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Deferred Tax Assets and Liabilities - For the three months ended March 31, 2014, Alliant Energy's, IPL's and WPL's current deferred tax assets decreased $22.9 million, $9.8 million and $10.7 million, respectively. These decreases in current deferred tax assets were primarily due to a decrease in the estimated amount of net operating losses expected to be utilized during the next 12 months.

For the three months ended March 31, 2014, Alliant Energy's, IPL's and WPL's non-current deferred tax liabilities increased $29.0 million, $23.0 million and $4.9 million, respectively. These increases in non-current deferred tax liabilities were primarily due to property-related differences resulting from bonus depreciation deductions and the effect of rate-making on property-related differences recorded during the three months ended March 31, 2014.

Carryforwards - At March 31, 2014, tax carryforwards and associated deferred tax assets and expiration dates were estimated as follows (dollars in millions):

Alliant Energy	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$697	$239	2029
State net operating losses	681	34	2018
Federal tax credits	181	178	2022
		$451	

IPL	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$303	$104	2029
State net operating losses	172	8	2018
Federal tax credits	59	58	2022
		$170	

WPL	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$302	$103	2029
State net operating losses	96	5	2018
Federal tax credits	64	62	2022
		$170	

(9) BENEFIT PLANS
(a) Pension and Other Postretirement Benefits Plans -
Net Periodic Benefit Costs (Credits) - The components of net periodic benefit costs (credits) for sponsored defined benefit pension and OPEB plans for the three months ended March 31 are included in the tables below (in millions).
In the "IPL" and "WPL" tables below, the defined benefit pension plans costs represent those respective costs for IPL's and WPL's bargaining unit employees covered under the qualified plans that are sponsored by IPL and WPL, respectively, as well as amounts directly assigned to each of IPL and WPL related to IPL's and WPL's current and former non-bargaining employees who are participants in the Alliant Energy and Corporate Services sponsored qualified and non-qualified defined benefit pension plans. In the "IPL" and "WPL" tables below, the OPEB plans costs (credits) represent costs (credits) for IPL and WPL employees, respectively.

	Defined Benefit Pension Plans		OPEB Plans	
Alliant Energy	2014	2013	2014	2013
Service cost	$3.3	$3.9	$1.3	$1.6
Interest cost	13.5	12.3	2.4	2.1
Expected return on plan assets	(18.7)	(18.5)	(2.1)	(2.0)
Amortization of prior service cost (credit)	—	0.1	(3.0)	(3.0)

Amortization of actuarial loss	4.8	9.0	0.6	1.2
	$2.9	$6.8	($0.8)	($0.1)

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	Defined Benefit Pension Plans		OPEB Plans	
IPL	2014	2013	2014	2013
Service cost	$1.8	$2.2	$0.6	$0.7
Interest cost	6.3	5.7	1.0	0.9
Expected return on plan assets	(9.0)	(8.8)	(1.5)	(1.4)
Amortization of prior service credit	—	—	(1.6)	(1.6)
Amortization of actuarial loss	2.0	3.8	0.3	0.7
	$1.1	$2.9	($1.2)	($0.7)

	Defined Benefit Pension Plans		OPEB Plans	
WPL	2014	2013	2014	2013
Service cost	$1.2	$1.4	$0.5	$0.6
Interest cost	5.7	5.2	1.0	0.8
Expected return on plan assets	(8.1)	(8.0)	(0.3)	(0.3)
Amortization of prior service cost (credit)	0.1	0.1	(1.0)	(1.0)
Amortization of actuarial loss	2.3	4.3	0.3	0.5
	$1.2	$3.0	$0.5	$0.6

Corporate Services provides services to IPL and WPL, and as a result, IPL and WPL are allocated pension and OPEB costs (credits) associated with Corporate Services employees. Such costs (credits) are allocated to IPL and WPL based on labor costs of plan participants. The following table includes the allocated qualified and non-qualified pension and OPEB costs (credits) associated with Corporate Services employees providing services to IPL and WPL for the three months ended March 31 (in millions):

	Pension Benefits Costs		OPEB Credits	
	2014	2013	2014	2013
IPL	$0.4	$0.5	($0.1)	($0.1)
WPL	0.3	0.3	—	—

401(k) Savings Plans - A significant number of employees participate in defined contribution retirement plans (401(k) savings plans). For the three months ended March 31, costs related to the 401(k) savings plans, which are partially based on the participants' contributions, were as follows (in millions):

	Alliant Energy		IPL (a)		WPL (a)	
	2014	2013	2014	2013	2014	2013
401(k) costs	$5.9	$5.4	$3.1	$2.8	$2.6	$2.3

(a) IPL's and WPL's amounts include allocated costs associated with Corporate Services employees.

(b) Equity-based Compensation Plans - A summary of compensation expense (including amounts allocated to IPL and WPL) and the related income tax benefits recognized for share-based compensation awards for the three months ended March 31 was as follows (in millions):

	Alliant Energy		IPL		WPL	
	2014	2013	2014	2013	2014	2013
Compensation expense	$3.1	$2.7	$1.7	$1.4	$1.3	$1.1
Income tax benefits	1.3	1.1	0.7	0.6	0.5	0.5

As of March 31, 2014, total unrecognized compensation cost related to share-based compensation awards was $11.9 million, which is expected to be recognized over a weighted average period of between 1 and 2 years. Share-based compensation expense is recognized on a straight-line basis over the requisite service periods and is primarily recorded in “Utility - Other operation and maintenance” in the income statements.

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Performance Shares and Units -
Performance Shares - A summary of the performance shares activity was as follows:

	2014	2013
Nonvested shares, January 1	139,940	145,277
Granted	51,221	49,093
Vested	(45,235)	(54,430)
Nonvested shares, March 31	145,926	139,940

During the three months ended March 31, 2014 and 2013, certain performance shares vested, resulting in payouts (a combination of cash and common stock) as follows:

	2014 2011 Grant	2013 2010 Grant
Performance shares vested	45,235	54,430
Percentage of target number of performance shares	147.5%	197.5%
Aggregate payout value (in millions)	$3.4	$4.8
Payout - cash (in millions)	$2.9	$4.4
Payout - common stock shares issued	4,810	4,177

Performance Units - A summary of the performance units activity was as follows:

	2014	2013
Nonvested units, January 1	65,912	64,969
Granted	20,422	22,201
Vested	(20,751)	(19,760)
Forfeited	(311)	(1,013)
Nonvested units, March 31	65,272	66,397

During the three months ended March 31, 2014 and 2013, certain performance units vested, resulting in cash payouts as follows:

	2014 2011 Grant	2013 2010 Grant
Performance units vested	20,751	19,760
Percentage of target number of performance units	147.5%	197.5%
Payout value (in millions)	$1.2	$1.3

Fair Value of Awards - Information related to fair values of nonvested performance shares and units at March 31, 2014, by year of grant, were as follows:

	Performance Shares			Performance Units		
	2014 Grant	2013 Grant	2012 Grant	2014 Grant	2013 Grant	2012 Grant
Nonvested awards	51,221	49,093	45,612	20,422	21,726	23,124
Alliant Energy common stock closing price on March 31, 2014	$56.81	$56.81	$56.81			
Alliant Energy common stock closing price on grant date				$53.77	$47.58	$43.05
Estimated payout percentage based on performance criteria	100%	118%	119%	100%	118%	119%
Fair values of each nonvested award	$56.81	$67.04	$67.60	$53.77	$56.14	$51.23

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At March 31, 2014, fair values of nonvested performance shares and units were calculated using a Monte Carlo simulation to determine the anticipated total shareowner returns of Alliant Energy and its investor-owned utility peer groups. Expected volatility was based on historical volatilities using daily stock prices over the past three years. Expected dividend yields were calculated based on the most recent quarterly dividend rates announced prior to the measurement date and stock prices at the measurement date. The risk-free interest rate was based on the three-year U.S. Treasury rate in effect as of the measurement date.

Performance Contingent Restricted Stock - A summary of the performance contingent restricted stock activity was as follows:

	2014		2013	
	Shares	Weighted Average Fair Value	Shares	Weighted Average Fair Value
Nonvested shares, January 1	158,922	$42.71	211,651	$32.42
Granted	51,221	53.77	49,093	47.58
Vested (a)	(90,847)	40.91	—	—
Forfeited (b)	(18,982)	38.75	(101,822)	23.67
Nonvested shares, March 31	100,314	50.74	158,922	42.71

(a) In 2014, 45,612 and 45,235 performance contingent restricted shares granted in 2012 and 2011, respectively, vested because the specified performance criteria for such shares were met.

(b) In 2013, 101,822 performance contingent restricted shares granted in 2009 were forfeited because the specified performance criteria for such shares were not met.

Performance Contingent Cash Awards - A summary of the performance contingent cash awards activity was as follows:

	2014	2013
Nonvested awards, January 1	96,977	59,639
Granted	42,446	39,530
Vested (a)	(55,517)	—
Forfeited	(3,406)	—
Nonvested awards, March 31	80,500	99,169

(a) In 2014, 34,766 and 20,751 performance contingent cash awards granted in 2012 and 2011 vested, resulting in cash payouts valued at $1.9 million and $1.1 million, respectively.

(10) ASSET RETIREMENT OBLIGATIONS

A reconciliation of the changes in AROs associated with long-lived assets is as follows (in millions):

	Alliant Energy		IPL		WPL	
	2014	2013	2014	2013	2014	2013
Balance, January 1	$109.7	$101.5	$47.9	$45.5	$52.4	$46.9
Liabilities settled	(0.5)	(0.1)	(0.3)	—	(0.2)	(0.1)
Liabilities incurred (a)	16.5	—	16.3	—	0.2	—
Accretion expense	1.0	1.0	0.5	0.5	0.4	0.4
Balance, March 31	$126.7	$102.4	$64.4	$46.0	$52.8	$47.2

(a) In 2014, IPL recorded AROs of $12.0 million related to its Sutherland Generating Station.

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(11) FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments - The carrying amounts of current assets and current liabilities approximate fair value because of the short maturity of such financial instruments. Carrying amounts and the related estimated fair values of other financial instruments were as follows (in millions):

	Alliant Energy		IPL		WPL	
March 31, 2014	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:						
Derivative assets (Note 12)	$41.3	$41.3	$15.9	$15.9	$25.4	$25.4
Deferred proceeds (sales of receivables) (Note 3(a))	170.8	170.8	170.8	170.8	—	—
Capitalization and liabilities:						
Long-term debt (including current maturities)	3,339.4	3,819.8	1,558.6	1,779.6	1,332.2	1,582.5
Cumulative preferred stock (Note 6)	200.0	183.8	200.0	183.8	—	—
Derivative liabilities (Note 12)	9.0	9.0	2.2	2.2	6.8	6.8

	Alliant Energy		IPL		WPL	
December 31, 2013	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:						
Derivative assets (Note 12)	$26.7	$26.7	$21.1	$21.1	$5.6	$5.6
Deferred proceeds (sales of receivables) (Note 3(a))	203.5	203.5	203.5	203.5	—	—
Capitalization and liabilities:						
Long-term debt (including current maturities)	3,336.3	3,712.3	1,558.4	1,726.4	1,332.1	1,532.9
Cumulative preferred stock (Note 6)	200.0	167.0	200.0	167.0	—	—
Derivative liabilities (Note 12)	20.8	20.8	5.2	5.2	15.6	15.6

Valuation Hierarchy - As of March 31, 2014 and December 31, 2013, Level 1 items included IPL's 5.1% cumulative preferred stock. As of March 31, 2014 and December 31, 2013, Level 2 items included certain of IPL's and WPL's non-exchange traded commodity contracts and substantially all of the long-term debt instruments. As of March 31, 2014 and December 31, 2013, Level 3 items included IPL's deferred proceeds, and IPL's and WPL's FTRs and certain non-exchange traded commodity contracts.

Valuation Techniques -

Derivative assets and derivative liabilities - Derivative instruments are periodically used for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs, and risk policies are maintained that govern the use of such derivative instruments. As of March 31, 2014 and December 31, 2013, derivative instruments were not designated as hedging instruments and included the following:

Risk management purpose	Type of instrument
Mitigate pricing volatility for:	
Electricity purchased to supply customers	Electric swap and physical forward contracts (IPL and WPL)
Fuel used to supply natural gas-fired EGUs	Natural gas swap contracts (IPL and WPL)
	Natural gas options and physical forward contracts (WPL)
Natural gas supplied to retail customers	Natural gas options and physical forward contracts (IPL and WPL)
	Natural gas swap contracts (IPL)
Fuel used at coal-fired EGUs	Coal physical forward contract with volumetric optionality (IPL and WPL)
Optimize the value of natural gas pipeline capacity	Natural gas physical forward contracts (IPL and WPL)

	Natural gas swap contracts (IPL)
Manage transmission congestion costs	FTRs (IPL and WPL)

Swap, option and physical forward commodity contracts were non-exchange-based derivative instruments and were valued using indicative price quotations from a pricing vendor that provides daily exchange forward price settlements, from broker or dealer quotations, from market publications or from on-line exchanges. The indicative price quotations reflected the average of the bid-ask mid-point prices and were obtained from sources believed to provide the most liquid market for the

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commodity. A portion of these indicative price quotations were corroborated using quoted prices for similar assets or liabilities in active markets and categorized derivative instruments based on such indicative price quotations as Level 2. Commodity contracts that were valued using indicative price quotations based on significant assumptions such as seasonal or monthly shaping and indicative price quotations that could not be readily corroborated were categorized as Level 3. Swap, option and physical forward commodity contracts were predominately at liquid trading points. FTRs were valued using monthly or annual auction shadow prices from relevant auctions and were categorized as Level 3. Refer to Note 12 for additional details of derivative assets and derivative liabilities.

Level 3 inputs include observable and unobservable inputs used in the fair value measurements of commodity contracts. The observable inputs are obtained from third-party pricing sources, counterparties and brokers and include bids, offers, historical transactions (including historical price differences between locations with both observable and unobservable prices) and executed trades. The significant unobservable inputs used in the fair value measurement of commodity contracts are forecasted electricity, natural gas and coal prices, and the expected volatility of such prices. Significant changes in any of those inputs would result in a significantly lower or higher fair value measurement.

Deferred proceeds (sales of receivables) - The fair value of IPL's deferred proceeds related to its sales of accounts receivable program was calculated each reporting date using the cost approach valuation technique. The fair value represents the carrying amount of receivables sold less the allowance for doubtful accounts associated with the receivables sold and cash proceeds received from the receivables sold due to the short-term nature of the collection period. These inputs were considered unobservable and deferred proceeds were categorized as Level 3. Deferred proceeds represent IPL's maximum exposure to loss related to the receivables sold. Refer to Note 3(a) for additional information regarding deferred proceeds.

Long-term debt (including current maturities) - The fair value of long-term debt instruments was based on quoted market prices for similar liabilities at each reporting date or on a discounted cash flow methodology, which utilizes assumptions of current market pricing curves at each reporting date.

Cumulative preferred stock - The fair value of IPL's 5.1% cumulative preferred stock was based on its closing market price quoted by the New York Stock Exchange at each reporting date. Refer to Note 6 for additional information regarding cumulative preferred stock.

Items subject to fair value measurement disclosure requirements were as follows (in millions):

Alliant Energy	March 31, 2014				December 31, 2013			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Derivatives - commodity contracts	$41.3	$—	$11.2	$30.1	$26.7	$—	$4.7	$22.0
Deferred proceeds	170.8	—	—	170.8	203.5	—	—	203.5
Capitalization and liabilities:								
Long-term debt (including current maturities)	3,819.8	—	3,816.5	3.3	3,712.3	—	3,711.8	0.5
Cumulative preferred stock	183.8	183.8	—	—	167.0	167.0	—	—
Derivatives - commodity contracts	9.0	—	2.8	6.2	20.8	—	3.2	17.6

IPL	March 31, 2014				December 31, 2013			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3

Assets:								
Derivatives - commodity contracts	$15.9	$—	$6.8	$9.1	$21.1	$—	$3.0	$18.1
Deferred proceeds	170.8	—	—	170.8	203.5	—	—	203.5
Capitalization and liabilities:								
Long-term debt (including current maturities)	1,779.6	—	1,779.6	—	1,726.4	—	1,726.4	—
Cumulative preferred stock	183.8	183.8	—	—	167.0	167.0	—	—
Derivatives - commodity contracts	2.2	—	0.9	1.3	5.2	—	1.7	3.5

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WPL	March 31, 2014				December 31, 2013			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Derivatives - commodity contracts	$25.4	$—	$4.4	$21.0	$5.6	$—	$1.7	$3.9
Capitalization and liabilities:								
Long-term debt (including current maturities)	1,582.5	—	1,582.5	—	1,532.9	—	1,532.9	—
Derivatives - commodity contracts	6.8	—	1.9	4.9	15.6	—	1.5	14.1

Gains and losses from IPL's and WPL's derivative instruments are generally recorded with offsets to regulatory assets or regulatory liabilities, based on fuel and natural gas cost recovery mechanisms, as well as other specific regulatory authorizations. Based on these recovery mechanisms, the changes in the fair value of derivative liabilities resulted in comparable changes to regulatory assets, and the changes in the fair value of derivative assets resulted in comparable changes to regulatory liabilities on the balance sheets.

Information for fair value measurements using significant unobservable inputs (Level 3 inputs) was as follows (in millions):

Alliant Energy	Commodity Contract Derivative Assets and (Liabilities), net		Deferred Proceeds	
Three Months Ended March 31	2014	2013	2014	2013
Beginning balance, January 1	$4.4	$11.9	$203.5	$66.8
Total net gains (losses) (realized/unrealized) included in changes in net assets (a)	38.4	(2.4)	—	—
Transfers out of Level 3 (b)	—	3.6	—	—
Settlements (c)	(18.9)	(8.2)	(32.7)	55.3
Ending balance, March 31	$23.9	$4.9	$170.8	$122.1
The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at March 31 (a)	$31.0	($2.4)	$—	$—

IPL	Commodity Contract Derivative Assets and (Liabilities), net		Deferred Proceeds	
Three Months Ended March 31	2014	2013	2014	2013
Beginning balance, January 1	$14.6	$12.5	$203.5	$66.8
Total net gains (losses) (realized/unrealized) included in changes in net assets (a)	4.2	(2.9)	—	—
Transfers out of Level 3 (b)	—	1.1	—	—
Settlements (c)	(11.0)	(6.4)	(32.7)	55.3
Ending balance, March 31	$7.8	$4.3	$170.8	$122.1
The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at March 31 (a)	$3.1	($2.9)	$—	$—

WPL	Commodity Contract Derivative Assets and (Liabilities), net	
Three Months Ended March 31	2014	2013
Beginning balance, January 1	($10.2)	($0.6)
Total net gains (realized/unrealized) included in changes in net assets (a)	34.2	0.5
Transfers out of Level 3 (b)	—	2.5
Settlements	(7.9)	(1.8)
Ending balance, March 31	$16.1	$0.6
The amount of total net gains for the period included in changes in net assets attributable to the change in unrealized gains relating to assets and liabilities held at March 31 (a)	$27.9	$0.5

(a) Gains and losses related to derivative assets and derivative liabilities are recorded in regulatory assets and regulatory liabilities on the balance sheets.

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(b) Observable market inputs became available for certain commodity contracts previously classified as Level 3 for transfers out of Level 3. The transfers were valued as of the beginning of the period.

(c) Settlements related to deferred proceeds are due to the change in the carrying amount of receivables sold less the allowance for doubtful accounts associated with the receivables sold and cash proceeds received from the receivables sold.

Commodity Contracts - The fair value of electric, natural gas and coal commodity contracts categorized as Level 3 was recognized as net derivative assets (liabilities) as follows (in millions):

	Alliant Energy		IPL		WPL	
	Excluding FTRs	FTRs	Excluding FTRs	FTRs	Excluding FTRs	FTRs
March 31, 2014	$16.5	$7.4	$1.1	$6.7	$15.4	$0.7
December 31, 2013	(13.9)	18.3	(2.1)	16.7	(11.8)	1.6

(12) DERIVATIVE INSTRUMENTS

Commodity Derivatives -

Purpose - Derivative instruments are periodically used for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs. Refer to Note 11 for detailed discussion of derivative instruments.

Notional Amounts - As of March 31, 2014, gross notional amounts by delivery year related to outstanding swap contracts, option contracts, physical forward contracts, FTRs and coal contracts that were accounted for as commodity derivative instruments were as follows (units in thousands):

	2014	2015	2016	2017	2018	Total
Alliant Energy						
Electricity (MWhs)	4,895	2,912	1,318	1,314	1,314	11,753
FTRs (MWhs)	3,037	—	—	—	—	3,037
Natural gas (Dths)	29,496	10,842	2,959	—	—	43,297
Coal (tons)	1,194	936	955	868	714	4,667
IPL						