ALLIANT ENERGY CORP
Form 10-K
February 25, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

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-K is separately filed by Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company. Information contained in the Form 10-K 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.

Securities registered pursuant to Section 12(b) of the Act:

	Title of Class	Name of Each Exchange on Which Registered
Alliant Energy Corporation	Common Stock, $0.01 Par Value	New York Stock Exchange

Alliant Energy Corporation	Common Share Purchase Rights	New York Stock Exchange
Interstate Power and Light Company	5.100% Series D Cumulative Perpetual Preferred Stock, $0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.
Yes x No ¨

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ¨ No x
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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x
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

The aggregate market value of the voting and non-voting common equity held by nonaffiliates as of June 30, 2013:

Alliant Energy Corporation	$5.6 billion
Interstate Power and Light Company	$—
Wisconsin Power and Light Company	$—

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

Alliant Energy Corporation	Common stock, $0.01 par value, 110,943,669 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)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement relating to Alliant Energy Corporation's 2014 Annual Meeting of Shareowners are, or will be upon filing with the Securities and Exchange Commission, incorporated by reference into Part III hereof.

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DEFINITIONS

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

Abbreviation or Acronym	Definition
2014 Alliant Energy Proxy Statement	Alliant Energy's Proxy Statement for the 2014 Annual Meeting of Shareowners
Act 32	2011 Wisconsin Act 32
AFUDC	Allowance for funds used during construction
Alliant Energy	Alliant Energy Corporation
ANR	ANR Pipeline
AOCL	Accumulated other comprehensive loss
ARO	Asset retirement obligation
ARR	Auction revenue right
ARRA	American Recovery and Reinvestment Act of 2009
ATC	American Transmission Company LLC
ATI	AE Transco Investments, LLC
ATR Act	American Taxpayer Relief Act of 2012
Audit Committee	Audit Committee of the Board of Directors
BART	Best available retrofit technology
BL	Base load units
CA	Certificate of authority
CAA	Clean Air Act
CAIR	Clean Air Interstate Rule
CAO	Chief Accounting Officer
Cash Balance Plan	Alliant Energy Cash Balance Pension Plan
CAVR	Clean Air Visibility Rule
CCR	Coal combustion residuals
CDD	Cooling degree days
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO2	Carbon dioxide
CO2e	Carbon dioxide-equivalent
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
DATC	Duke-American Transmission Co.
D.C. Circuit Court	U.S. Court of Appeals for the D.C. Circuit
DCP	Alliant Energy Deferred Compensation Plan
DLIP	Alliant Energy Director Long Term Incentive Plan
DNR	Department of Natural Resources
Dth	Dekatherm
Eagle Point	Eagle Point Solar
Edgewater	Edgewater Generating Station
EECR	Energy efficiency cost recovery

EEP	Energy efficiency plan
EGU	Electric generating unit
Emery	Emery Generating Station
EPA	U.S. Environmental Protection Agency
EPB	Emissions plan and budget
EPS	Earnings per weighted average common share

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Abbreviation or Acronym	Definition
ERISA	Employee Retirement Income Security Act of 1974
ERO	Electric Reliability Organization
EVP	Executive Vice President
FCS	Firm Citygate Supplies
FERC	Federal Energy Regulatory Commission
FTR	Financial transmission right
Fuel-related	Electric production fuel and energy purchases
FWS	U.S. Fish and Wildlife Service
GAAP	U.S. generally accepted accounting principles
GCU Certificate	Certificate of public convenience, use and necessity
GHG	Greenhouse gases
HAP	Hazardous air pollution
HDD	Heating degree days
IBEW	International Brotherhood of Electrical Workers
IEA	Industrial Energy Applications, Inc.
IN	Intermediate units
IPL	Interstate Power and Light Company
IPO	Initial public offering
IRS	Internal Revenue Service
ITC	ITC Midwest LLC
IUB	Iowa Utilities Board
KEESA	Key Executive Employment and Severance Agreement
Kewaunee	Kewaunee Nuclear Power Plant
KWh	Kilowatt-hour
LRZ	Local resource zone
MACT	Maximum achievable control technology
Marshalltown	Marshalltown Generating Station
MATS	Mercury and Air Toxic Standard
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
MRO	Midwest Reliability Organization
MVP	Multi-value project
MW	Megawatt
MWh	Megawatt-hour
N/A	Not applicable
NAAQS	National Ambient Air Quality Standards
NBPL	Northern Border Pipeline
Neenah	Neenah Energy Facility
Nelson Dewey	Nelson Dewey Generating Station
NER	NextEra Energy Resources, LLC
NERC	North American Electric Reliability Corporation
NGPL	Natural Gas Pipeline Co. of America
NNG	Northern Natural Gas Company

NO2	Nitrogen dioxide
NOV	Notice of violation
NOx	Nitrogen oxide
NRB	Natural Resources Board
NSPS	New Source Performance Standards
NYSE	New York Stock Exchange

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Abbreviation or Acronym	Definition
OCA	Iowa Office of Consumer Advocate
OIP	Alliant Energy 2010 Omnibus Incentive Plan
PJM	PJM Interconnection, LLC
PK	Peaking units
PM	Particulate matter
PM2.5	Fine particulate matter
PPA	Purchased power agreement
PRM	Planning reserve margin
PSCW	Public Service Commission of Wisconsin
PSD	Prevention of significant deterioration
PUHCA	Public Utility Holding Company Act of 2005
REC	Renewable energy credit
Receivables Agreement	Receivables Purchase and Sale Agreement
RES	Renewable energy standards
Resources	Alliant Energy Resources, LLC
Riverside	Riverside Energy Center
RMT	RMT, Inc.
RPS	Renewable portfolio standard
RTO	Regional Transmission Organization
SCR	Selective catalytic reduction
SEC	Securities and Exchange Commission
Sheboygan Falls	Sheboygan Falls Energy Facility
Sheboygan Power	Sheboygan Power, LLC
SIP	State implementation plan
SO2	Sulfur dioxide
SRP	Supplemental Retirement Plan
SSR	System support resource
TBD	To be determined
TransData	TransData, Inc.
U.S.	United States of America
VEBA	Voluntary Employees' Beneficiary Association
Vestas	Vestas-American Wind Technology, Inc.
VIE	Variable interest entity
VP	Vice President
WACC	Weighted-average cost of capital
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 Annual Report on Form 10-K 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 “expect,” “anticipate,” “plan” or other words of similar import. Similarly, statements that 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 operating costs, fuel 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 WPL’s retail electric and gas base rate freeze in Wisconsin through 2014;
- 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;
- 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;

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- 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 in Item 1A Risk Factors.

Alliant Energy, IPL and WPL each assume no obligation, and disclaim any duty, to update the forward-looking statements in this Annual Report on Form 10-K.

WEBSITE ACCESS TO REPORTS

Alliant Energy makes its periodic and current reports, and amendments to those reports, available, free of charge, on its website at www.alliantenergy.com/investors on the same day as such material is electronically filed with, or furnished to, the SEC. Alliant Energy is not including the information contained on its website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K, except as required by law.

PART I

This Annual Report on Form 10-K includes information relating to Alliant Energy, IPL and WPL (as well as Resources and Corporate Services). Where appropriate, information relating to a specific entity has been segregated and labeled as such. Unless otherwise noted, the information herein excludes discontinued operations for all periods presented.

ITEM 1. BUSINESS

A. GENERAL

Alliant Energy was incorporated in Wisconsin in 1981 and maintains its principal executive offices in Madison, Wisconsin. Alliant Energy operates as a regulated investor-owned public utility holding company. Alliant Energy's primary focus is to provide regulated electricity and natural gas service to approximately 1 million electric and approximately 418,000 natural gas customers in the Midwest through its two public utility subsidiaries, IPL and WPL. The primary first tier wholly-owned subsidiaries of Alliant Energy are: IPL, WPL, Resources and Corporate Services. A brief description of the primary first tier subsidiaries of Alliant Energy is as follows:

1) IPL - was incorporated in 1925 in Iowa as Iowa Railway and Light Corporation. IPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas in selective markets in Iowa and southern Minnesota. In Iowa, IPL provides utility services to incorporated communities as directed by the IUB and utilizes non-exclusive franchises, which cover the use of public right-of-ways for utility

facilities in incorporated communities for a maximum term of 25 years. At December 31, 2013, IPL supplied electric and natural gas service to 528,355 and 234,563 retail customers, respectively. IPL is also engaged in the generation and distribution of steam for two customers in Cedar Rapids, Iowa. In 2013, 2012 and 2011, IPL had no single customer for which electric, gas, steam and/or other sales accounted for 10% or more of IPL's consolidated revenues. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of IPL's proposed sales of its Minnesota electric and natural gas distribution assets.

2) WPL - was incorporated in 1917 in Wisconsin as Eastern Wisconsin Electric Company. WPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas in selective markets in southern and central Wisconsin. WPL operates in municipalities pursuant to permits of indefinite duration and state statutes authorizing utility operation in areas annexed by a municipality. At December 31, 2013, WPL supplied electric

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and natural gas service to 460,396 and 182,647 retail customers, respectively. In 2013, 2012 and 2011, WPL had no single customer for which electric, gas and/or other sales accounted for 10% or more of WPL's consolidated revenues. At December 31, 2013, WPL Transco was a wholly-owned subsidiary of WPL and held WPL's investment in ATC.

3) RESOURCES - was incorporated in 1988 in Wisconsin. In 2008, Resources was converted to a limited liability company. Alliant Energy's non-regulated investments are organized under Resources. Refer to "Information Relating to Non-regulated Operations" for additional details.

4) CORPORATE SERVICES - was incorporated in 1997 in Iowa. Corporate Services provides administrative services to Alliant Energy, IPL, WPL and Resources.

Refer to Note 17 of the "Combined Notes to Consolidated Financial Statements" for further discussion of business segments, which information is incorporated herein by reference.

B. INFORMATION RELATING TO ALLIANT ENERGY ON A CONSOLIDATED BASIS

1) EMPLOYEES - At December 31, 2013, Alliant Energy's consolidated subsidiaries had the following full- and part-time employees:

	Number of Bargaining Unit Employees	Number of Other Employees	Total Number of Employees	Percentage of Employees Covered by Collective Bargaining Agreements	
IPL	1,119	557	1,676	67	%
WPL	1,026	251	1,277	80	%
Corporate Services	25	853	878	3	%
Resources	85	29	114	75	%
	2,255	1,690	3,945	57	%

At December 31, 2013, Alliant Energy employees covered by collective bargaining agreements were as follows:

	Number of Employees	Contract Expiration Date
IPL:		
IBEW Local 204 (Cedar Rapids)	757	8/31/17
IBEW - Various	362	Various
	1,119	
WPL - IBEW Local 965	1,026	5/31/14
Resources - Various	85	Various
Corporate Services - IBEW Local 204	25	10/31/14
	2,255	

2) CAPITAL EXPENDITURE AND INVESTMENT PLANS - Refer to "Liquidity and Capital Resources - Cash Flows - Investing Activities - Construction and Acquisition Expenditures" in MDA for discussion of anticipated construction and acquisition expenditures for 2014 through 2017.

3) REGULATION - Alliant Energy, IPL and WPL are subject to regulation by various federal, state and local agencies. The following includes the primary regulations impacting Alliant Energy's, IPL's and WPL's businesses.

FERC -

Public Utility Holding Company Act of 2005 - Alliant Energy is registered with FERC as a public utility holding company, pursuant to PUHCA, and is required to maintain certain records and to report certain transactions involving its public utilities, service company and other entities regulated by FERC. Corporate Services, IPL and WPL are subject to regulation by FERC under PUHCA for various matters including, but not limited to, affiliate transactions, public utility mergers, acquisitions and dispositions, and books, records and accounting requirements.

Energy Policy Act - The Energy Policy Act requires creation of an ERO to provide oversight by FERC. FERC designated NERC as the overarching ERO. MRO, which is a regional member of NERC, has direct responsibility for mandatory electric reliability standards for IPL and WPL.

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Federal Power Act - FERC also has jurisdiction, under the Federal Power Act, over certain electric utility facilities and operations, electric wholesale and transmission rates, dividend payments, issuance of securities (only IPL, and Corporate Services through March 31, 2014) and accounting practices of Corporate Services, IPL and WPL.

Electric Wholesale Rates - IPL and WPL have received wholesale electric market-based rate authority from FERC. Market-based rate authorization allows for wholesale sales of electricity within the MISO and PJM markets and in bilateral markets, based on the market value of the transactions. IPL and WPL also have FERC-approved cost-of-service based rates related to the provision of firm full- and partial-requirement wholesale electric sales. Both IPL's and WPL's wholesale cost-of-service tariffs are formula-based tariffs that allow for true-ups to actual costs, including fuel costs.

Electric Transmission Rates - FERC regulates the rates charged for electric transmission facilities used in interstate commerce. Neither IPL nor WPL own or operate electric transmission facilities; however, both IPL and WPL pay for the use of the interstate electric transmission system based upon FERC-regulated rates. IPL and WPL rely primarily on the use of the ITC and ATC transmission systems, respectively. Due to the formula rates used by ITC and ATC to charge their customers and possible future changes to these rates, there is uncertainty regarding IPL's and WPL's future electric transmission service expenses. Refer to "Other Future Considerations" in MDA for further discussion of electric transmission service charges.

Natural Gas Act - FERC regulates the transportation and sale for resale of natural gas in interstate commerce under the Natural Gas Act. Under the Natural Gas Act, FERC has authority over certain natural gas facilities and operations of IPL and WPL.

IUB - IPL is subject to regulation by the IUB related to its operations in Iowa for various matters including, but not limited to, retail utility rates and standards of service, accounting requirements and approval of the location and construction of EGUs.

Retail Utility Base Rates - IPL files periodic requests with the IUB for retail rate changes. These filings are based on historical test periods. The historical test periods may be adjusted for certain known and measurable changes to capital investments, cost of capital and operating and maintenance expenses consistent with IUB rules and regulations. Interim retail rates can be placed in effect 10 days after the rate application filing, subject to refund, and must be based on past precedent. The IUB must decide on requests for retail rate changes within 10 months of the date of the application for which changes are filed, or the interim rates granted become permanent.

Retail Commodity Cost Recovery Mechanisms - IPL's retail electric and natural gas tariffs contain automatic adjustment clauses for changes in prudently incurred commodity costs required to serve its retail customers in Iowa. Any over- or under-collection of commodity costs for each given month are automatically reflected in future billings to retail customers.

Retail Electric Transmission Cost Recovery Mechanism - Electric transmission service expenses are billed to IPL's Iowa retail electric customers through a transmission cost rider. This cost recovery mechanism provides for subsequent adjustments to electric rates charged to Iowa retail electric customers for changes in electric transmission service expenses. Changes in the under-/over-collection of these costs are reflected in future billings to customers. The transmission cost rider will remain in effect until the IUB's final decision in IPL's next retail electric base rate case, at which time the rider will continue in its current form, continue in a modified form or be terminated.

Energy Efficiency Cost Recovery Mechanism - In accordance with Iowa law, IPL is required to file an EEP every five years with the IUB. An EEP provides a utility's plan and related budget to achieve specified levels of energy savings.

IUB approval demonstrates that the IUB believes that IPL's EEP is reasonably expected to achieve cost-effective delivery of the energy efficiency programs. To the extent approved by the IUB, costs associated with executing the EEP are recovered from ratepayers through an additional tariff called an EECR factor. The EECR factors are revised annually and include a reconciliation to eliminate any over- or under-recovery of energy efficiency expenses from prior periods.

Electric Generating Units - IPL must obtain a GCU Certificate from the IUB in order to construct a new or significantly alter an existing EGU located in Iowa with 25 MW or more of capacity.

Advance Rate-making Principles - Iowa law provides Iowa utilities with rate-making principles prior to making certain generation investments in Iowa. As a result, IPL must file for, and the IUB must render a decision on, rate-making principles for EGUs located in Iowa, including new base-load (nuclear or coal-fired generation) EGUs with a nameplate generating capacity of 300 MW or more, combined-cycle natural gas-fired EGUs of any size and renewable generating resources, such

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as wind facilities, of any size. Upon approval of rate-making principles by the IUB, IPL must either build the EGU under the approved rate-making principles, or not at all.

Electric Generating Unit Emission Controls Projects - IPL is required to submit an EPB biennially to the IUB setting out a multi-year plan and budget for managing regulated emissions from its EGUs in a cost-effective manner. IPL must simultaneously submit this plan and budget to the Iowa DNR for a determination of whether the plan and budget meet state environmental requirements for regulated emissions. The reasonable costs associated with implementing the plan are expected to be included in IPL's future retail electric rates.

PSCW - Alliant Energy is subject to regulation by the PSCW for the type and amount of Alliant Energy's investments in non-utility businesses and other affiliated interest activities, among other matters. WPL is also subject to regulation by the PSCW related to its operations in Wisconsin for various matters including, but not limited to, retail utility rates and standards of service, accounting requirements, issuance and use of proceeds of securities, affiliate transactions, approval of the location and construction of EGUs and certain other additions and extensions to facilities.

Retail Utility Base Rates - WPL files periodic requests with the PSCW for retail rate changes. These filings are required to be based on forward-looking test periods. There is no statutory time limit for the PSCW to decide retail base rate requests. However, the PSCW attempts to process retail base rate cases in approximately 10 months and has the ability to approve interim retail rate relief, subject to refund, if necessary.

Retail Commodity Cost Recovery Mechanisms -
Electric - WPL's retail electric base rates include estimates of annual fuel-related costs anticipated during the test period. During each retail electric rate proceeding, or in a separate fuel cost plan approval proceeding, the PSCW sets fuel monitoring ranges based on the forecasted fuel-related costs used to determine rates in such proceeding. If WPL's actual fuel-related costs fall outside these fuel monitoring ranges, WPL is authorized to defer the incremental over- or under-collection of fuel-related costs from retail electric customers that are outside the approved ranges. Deferrals of under-collections are reduced to the extent actual return on common equity earned by WPL during the fuel cost plan year exceeds the applicable authorized return on common equity. Subject to review and approval by the PSCW, any deferred over- or under-collection of fuel-related costs for each year are reflected in future billings to retail customers.

Natural Gas - WPL's retail natural gas tariffs contain an automatic adjustment clause for changes in prudently incurred natural gas costs required to serve its retail gas customers. Any over- or under-collection of natural gas costs for each given month are automatically reflected in future billings to retail customers.

Energy Efficiency Cost Recovery Mechanism - WPL contributes a certain percentage of its annual utility revenues to help fund Focus on Energy, Wisconsin's state-wide energy efficiency and renewable energy resource program. Estimated contributions to Focus on Energy, along with WPL-run energy efficiency program costs, are recovered from WPL's retail customers through changes in base rates determined during periodic rate proceedings and include a reconciliation of such estimated amounts to actual costs incurred with any difference deferred for inclusion in future base rate changes.

New Electric Generating Units - A CA application is required to be filed with the PSCW for construction approval of any new EGU with a capacity of less than 100 MW. WPL must obtain a Certificate of Public Convenience and Necessity from the PSCW in order to construct a new EGU in Wisconsin with a capacity of 100 MW or more. In addition, WPL's ownership and operation of EGUs (including those located outside the state of Wisconsin) to serve Wisconsin customers is subject to retail utility rate regulation by the PSCW.

Electric Generating Unit Upgrades - A CA application is required to be filed with the PSCW for construction approval of any additions to EGUs, including emission controls projects that exceed a certain threshold amount. The current PSCW rules require a CA for projects with an estimated project cost of $10 million or more.

Advance Rate-making Principles - Wisconsin law provides Wisconsin utilities with the opportunity to request rate-making principles prior to the purchase or construction of any nuclear or fossil-fueled EGU or renewable generating resource, such as a wind facility, utilized to serve Wisconsin customers. WPL is not obligated to file for or accept authorized rate-making principles under Wisconsin law. WPL can proceed with an approved project under traditional rate-making terms or accept authorized rate-making principles under Wisconsin law.

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MPUC - IPL is subject to regulation by the MPUC related to its operations in Minnesota for various matters including, but not limited to, retail utility rates and standards of service, accounting requirements, affiliate transactions, and approval of the location and construction of EGUs located in Minnesota with a capacity in excess of 50 MW.

Retail Utility Rates - Requests for retail rate change can be based on either historical or projected data and interim retail rates are permitted. IPL has historically requested retail rate relief based on historical test periods. The historical test periods may be adjusted for certain known and measurable capital additions placed in service by IPL and operating and maintenance expenses incurred by IPL within 12 months after the end of the test year. Unless otherwise ordered, the MPUC must reach a final decision within 10 months of filing for retail rate relief; however, the MPUC can extend the timing by 90 days.

Renewable Energy Cost Recovery Mechanism - In 2011, IPL received an order from the MPUC approving the implementation of an automatic cost recovery rider on a temporary basis to recover costs associated with renewable generation. The renewable energy rider does not require a base rate case for annual revision of rates charged to IPL's Minnesota retail electric customers, but requires that the renewable energy costs incurred be fully reconciled against the revenues collected for such costs. IPL utilizes this mechanism to recover costs associated with its Whispering Willow - East wind project located in Iowa.

Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of IPL's proposed sales of its Minnesota electric and natural gas distribution assets.

Environmental - Alliant Energy, IPL and WPL are subject to extensive environmental laws and regulations as a result of their current and past operations. The environmental laws and regulations relate to the protection of the environment and health and safety matters, including those governing air emissions; water discharges; the management, storage and disposal of hazardous materials; and the clean-up of contaminated sites, including former MGP sites.

The EPA administers certain federal regulatory programs and has delegated the administration of other environmental regulatory programs to the applicable state environmental agencies. In general, the state agencies have jurisdiction over air and water quality, hazardous substances management, transportation and clean-up, and solid waste management requirements. In certain cases, the state environmental agencies have delegated the administration of environmental programs to local agencies.

Alliant Energy, IPL and WPL regularly obtain federal, state and local permits to assure compliance with environmental laws and regulations. Costs associated with such compliance have increased in recent years and are expected to continue to increase in the future. Alliant Energy, IPL and WPL anticipate that prudently incurred compliance and remediation costs for IPL and WPL will be recoverable, in whole or part, through future rate case proceedings. Refer to "Environmental Matters" in MDA and Note 16(e) of the "Combined Notes to Consolidated Financial Statements" for further discussion of electric and gas environmental matters, including current or proposed environmental regulations. Refer to "Strategic Overview - Environmental Compliance Plans" in MDA for details of Alliant Energy's, IPL's and WPL's future environmental compliance plans to adhere to applicable environmental requirements.

Refer to Notes 1(b), 1(g), 2 and 16(e) of the "Combined Notes to Consolidated Financial Statements," and "Rate Matters" and "Environmental Matters" in MDA for additional information regarding regulation and utility rate matters.

4) STRATEGIC OVERVIEW - Refer to "Strategic Overview" in MDA for discussion of various strategic actions by Alliant Energy, IPL and WPL.

C. INFORMATION RELATING TO UTILITY OPERATIONS

Alliant Energy's utility business (IPL and WPL) has three segments: a) electric operations; b) gas operations; and c) other, which includes IPL's steam operations and the unallocated portions of the utility business. In 2013, IPL's and WPL's operating revenues and operating income (loss) for these three utility business segments were as follows:

	IPL				WPL			
	Operating Revenues		Operating Income		Operating Revenues		Operating Income (Loss)	
Electric	82	%	82	%	85	%	92	%
Gas	15	%	14	%	14	%	9	%
Other	3	%	4	%	1	%	(1	%)
	100	%	100	%	100	%	100	%

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1) ELECTRIC UTILITY OPERATIONS

General - Electric utility operations represent the largest operating segment for Alliant Energy, IPL and WPL. Alliant Energy's electric utility operations are located in the Midwest with IPL providing electric service in Iowa and southern Minnesota and WPL providing electric service in southern and central Wisconsin. In September 2013, IPL signed a definitive agreement to sell its Minnesota electric distribution assets. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of this proposed sale. Refer to the "Electric Operating Information" tables for additional details regarding electric utility operations.

Jurisdictions - Electric utility revenues by state were as follows (dollars in millions):

	2013		2012		2011	
	Amount	Percent	Amount	Percent	Amount	Percent
IPL:						
Iowa	$1,416.3	52 %	$1,295.5	50 %	$1,327.2	50 %
Minnesota	75.5	3 %	75.6	3 %	81.1	3 %
Subtotal	1,491.8	55 %	1,371.1	53 %	1,408.3	53 %
WPL:						
Wisconsin	1,197.2	45 %	1,218.2	47 %	1,227.5	47 %
	$2,689.0	100 %	$2,589.3	100 %	$2,635.8	100 %

The percentage of electric utility revenues regulated by the IUB, PSCW, MPUC and FERC were as follows:

	IPL			WPL		
	2013	2012	2011	2013	2012	2011
IUB	93 %	92 %	90 %	— %	— %	— %
PSCW	— %	— %	— %	85 %	86 %	85 %
MPUC	5 %	5 %	6 %	— %	— %	— %
FERC	2 %	3 %	4 %	15 %	14 %	15 %
	100 %	100 %	100 %	100 %	100 %	100 %

Customers - The number of electric customers and communities served at December 31, 2013 was as follows:

	Retail Customers	Wholesale Customers	Other Customers	Total Customers	Communities Served
IPL	528,355	8	1,366	529,729	752
WPL	460,396	21	2,262	462,679	607
	988,751	29	3,628	992,408	1,359

IPL and WPL provide electric utility service to a diversified base of retail customers in several industries, with the largest concentrations in the food manufacturing, chemical (including ethanol) and paper industries. IPL's retail customers in the above table are billed under base rates established by the IUB or MPUC that include recovery of and a return on investments in electric infrastructure and recovery of purchased electric capacity costs and other costs required to serve customers. Electric transmission service expenses are billed to IPL's Iowa retail electric customers through a transmission cost rider. This cost recovery mechanism provides for subsequent adjustments to electric rates charged to Iowa electric retail customers for changes in electric transmission service expenses. IPL's fuel-related costs are recovered pursuant to fuel adjustment clauses. WPL's retail customers in the above table are billed under base rates established by the PSCW that include recovery of and a return on investments in electric infrastructure and recovery of fuel-related costs, purchased electric capacity costs, electric transmission service costs and other costs required to serve customers. WPL defers fuel-related costs that exceed or fall below established fuel monitoring ranges through an electric fuel cost recovery mechanism. WPL's recovery of deferred fuel-related costs is restricted if it earns in excess of its authorized return on common equity. Refer to "Rate Matters" in MDA for details of IPL's plans to file an Iowa retail electric base rate case and WPL's plans to file a retail electric and gas base rate case in late March 2014.

Refer to Note 2 of the "Combined Notes to Consolidated Financial Statements" for additional discussion of utility rate cases.

Wholesale customers in the above table, which primarily consist of municipalities and rural electric cooperatives, are billed under wholesale service agreements. These agreements include standardized pricing mechanisms that are detailed in tariffs approved by FERC through wholesale rate case proceedings. The tariffs include an annual true-up process for actual costs incurred. A majority of IPL's and WPL's wholesale service agreements have terms that end after 2016. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of IPL's Minnesota electric distribution asset sales agreement, which includes a wholesale power supply agreement that is subject to FERC approval.

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In addition, WPL has bulk power customers, included in “Other customers” in the above table, that are billed according to negotiated, long-term customer-specific contracts, pursuant to FERC-approved tariffs.

Seasonality - Electric sales are seasonal to some extent with the annual peak normally occurring in the summer months due to air conditioning requirements. Electric sales are also impacted to a certain extent in the winter months due to heating requirements. In 2013, the maximum peak hour demands were as follows:

	Alliant Energy	IPL	WPL
MW	5,820	3,107	2,752
Date	July 17	July 17	July 18

Competition - Retail electric customers in Iowa, Wisconsin and Minnesota currently do not have the ability to choose their electric supplier, and IPL and WPL have obligations to serve all their retail electric customers. Although electric service in Iowa, Wisconsin and Minnesota is regulated, IPL and WPL still face competition from self-generation by large industrial customers, owners of distributed generation, alternative energy sources, and petitions to municipalize (Iowa) as well as service territory expansions by municipal utilities through annexations (Wisconsin). However, IPL and WPL attempt to attract new customers into their service territories in an effort to keep energy rates low for all its customers. Refer to “Other Future Considerations” in MDA for discussion of litigation related to a renewable power developer seeking to distribute energy in IPL’s service territory, which may impact IPL’s future electric sales.

In 2010, the PSCW approved an economic development program, which is intended to attract and retain industrial customers in WPL’s service territory. The program permits WPL to enter into a contract with eligible industrial customers for a discounted energy rate based upon specifically-defined conditions through December 2014. To be eligible for the program, each customer needs to demonstrate that it is also eligible for direct governmental assistance through a local, state or federal economic development program, in addition to other criteria. The discount amounts are limited to ensure recovery of marginal costs and will be decreased over time until a customer is paying the full tariff rate. Currently, there are three WPL customers utilizing the economic development program.

Renewable Energy Standards - As discussed in greater detail below, the states in which IPL and WPL operate have RES, which establish the amount of energy electric utilities or service providers must supply from renewable resources.

IPL - IPL has requirements to comply with RES in both Iowa and Minnesota and primarily relies upon RECs generated from the wind projects it owns and renewable energy acquired under PPAs to meet such requirements. IPL allocates its portfolio of RECs between its Iowa and Minnesota jurisdictions based on a load-ratio share. IPL has excess RECs in Iowa and a shortfall of RECs in Minnesota. However, the excess RECs in Iowa are much larger than the Minnesota shortfall partially due to the relatively small amount of IPL’s load served in Minnesota compared to Iowa. IPL’s surplus of RECs in Iowa are permitted to be used to meet the deficit of RECs in Minnesota. IPL expects to meet both its Iowa and Minnesota renewable energy requirements on a system-wide basis without the need to purchase additional RECs.

Iowa - IPL is required to purchase or own 49.8 MW of nameplate capacity from alternate energy or small hydro facilities located in its service area. IPL currently exceeds this Iowa requirement.

Minnesota - IPL’s total Minnesota retail electric sales supplied with renewable energy sources must be at least 12% currently and 17% by 2016, 20% by 2020, and 25% by 2025. Utilities in Minnesota may meet the requirements of the RES with renewable energy generated by the utility, renewable energy acquired under PPAs, or the use of accumulated or acquired RECs. IPL has met the 12% requirement and currently expects to satisfy future Minnesota

RES requirements with its current wind generation and wind PPAs, supplemented as needed by acquiring additional RECs from its anticipated Iowa excess supply.

In addition to the above Minnesota requirement, IPL's total Minnesota retail electric sales supplied with solar power must be at least 1.5% by 2020. IPL currently estimates that approximately 10 MW of solar power would be needed for compliance with this requirement by 2020.

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WPL - The Wisconsin RES requires WPL to increase the portion of its total Wisconsin retail electric sales supplied by renewable energy sources above a benchmark of average retail sales from renewables in 2001, 2002 and 2003. The RES required a 2% increase above the benchmark by 2010 and will require a 6% increase above the benchmark by 2015. Based on this RES, WPL was required to supply a minimum of 5.28% of its total Wisconsin retail electric sales with renewable energy sources by 2010 and will be required to increase this amount to 9.28% by 2015. WPL may reach the RES with renewable energy it generates, it acquires under PPAs or through the use of renewable resource credits. WPL has met the 2010 requirements of this RES and currently expects to meet the 2015 requirements of the RES with its current renewable portfolio, which primarily consists of wind and hydro.

Energy Conservation - IPL and WPL continue to promote energy conservation, including their customers' ability to efficiently manage their energy use. Refer to "Strategic Overview" in MDA for discussion of energy efficiency programs at IPL and WPL.

Electric Supply - Alliant Energy, IPL and WPL have met historical customer demand of electricity and expect to continue meeting future demand through a mix of electric supply including internally generated electricity, PPAs and additional purchases from wholesale energy markets. Alliant Energy's mix of electric supply changed in recent years with WPL's purchases of the Neenah Energy Facility in 2009, Wisconsin Electric Power Company's 25% interest in Edgewater Unit 5 in 2011 and Riverside in 2012, the completion of wind projects including IPL's Whispering Willow - East wind project in 2009 and WPL's Bent Tree - Phase I wind project in 2011, and IPL's retirement of various EGUs. Alliant Energy expects its mix of electric supply to change further in the next several years with IPL's construction of Marshalltown, WPL's potential generation investment, IPL's new DAEC PPA for a term of February 22, 2014 through December 31, 2025, WPL's new 150 MW PPA for a term from January 1, 2014 through December 31, 2018, the expiration of WPL's Kewaunee PPA in December 2013 and the proposed retirement of additional EGUs. Alliant Energy, IPL and WPL periodically update their generation plans to identify longer term electric supply resource needs. These long-term generation plans are intended to meet customer demand, reduce reliance on PPAs and wholesale market purchases and mitigate the impacts of future EGU retirements while maintaining compliance with long-term electric demand PRMs, environmental requirements and RES established by regulators. Alliant Energy, IPL and WPL currently expect to meet utility customer demand in the future. However, unanticipated regional or local reliability issues could still arise in the event of unexpected delays in the construction of new generating and/or transmission facilities, retirement of EGUs, EGU outages, transmission system outages or extended periods of extreme weather conditions. Refer to the "Electric Operating Information" tables for a profile of the sources of electric supply used to meet customer demand for Alliant Energy, IPL and WPL from 2009 to 2013. Refer to "Strategic Overview" in MDA for details of Alliant Energy's, IPL's and WPL's future generation plans.

Electric Demand Planning Reserve Margin - IPL and WPL are required to maintain a PRM above their load at the time of the MISO-wide peak to ensure reliability of electric service to their customers. The installed capacity reserve margin is 14.8% and the unforced capacity reserve margin is 7.3% for the June 1, 2014 through May 31, 2015 MISO planning year. IPL and WPL currently have adequate capacity to meet the MISO PRM requirements for the June 1, 2014 through May 31, 2015 MISO planning year.

Beginning with the June 1, 2013 through May 31, 2014 MISO planning year, MISO implemented an LRZ concept. The purpose of the LRZ concept is to encourage adequate generating resources adjacent to the load served by such generating resources. IPL is located in LRZ No. 3, which covers the entire state of Iowa and a portion of southern Minnesota. WPL is located in LRZ No. 2, which covers the southern and eastern portions of Wisconsin and upper peninsula of Michigan. Subject to certain zonal transfer capacity limits, load-serving utilities (including IPL and WPL) are permitted to have generating capacity located outside of their respective LRZs if they procure firm point-to-point transmission service to import the capacity from another LRZ. If a utility chooses to import capacity from another LRZ without firm point-to-point transmission service, it will incur a zonal delivery charge. Neither IPL

nor WPL have current generating capacity located outside of their respective LRZs; therefore they do not expect to be subject to zonal delivery charges during the June 1, 2013 through May 31, 2014 and June 1, 2014 through May 31, 2015 MISO planning years.

Generation - IPL and WPL own a portfolio of EGUs located in Iowa, Wisconsin and Minnesota with a diversified fuel mix including coal, natural gas and renewable resources. Refer to "Properties" in Item 2 for details of IPL's and WPL's EGUs.

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Generating Capacity - The generating capacity of IPL's and WPL's EGUs based on nameplate capacity by primary fuel type is as follows (in MWs):

	IPL	WPL	Total
Coal	1,617	1,338	2,955
Natural gas	1,031	1,448	2,479
Oil	349	—	349
Wind	200	269	469
Hydro	—	41	41
Total	3,197	3,096	6,293

Fuel Costs - The average cost of delivered fuel per million British Thermal Units used for electric generation was as follows:

	IPL			WPL		
	2013	2012	2011	2013	2012	2011
All fuels	$2.36	$2.26	$2.18	$2.52	$2.26	$2.28
Coal	1.99	1.91	1.86	2.21	2.21	2.22
Natural gas (a)	4.63	3.79	7.17	4.86	3.21	6.30

(a) The average cost of natural gas includes commodity and transportation costs as well as gains and losses from swap and option contracts used to hedge the price of natural gas volumes expected to be used by IPL's and WPL's natural gas-fired EGUs.

Coal - Coal is the primary fuel source for Alliant Energy's, IPL's and WPL's internally generated electric supply and represented approximately 40% to 60% of their total sources of electric energy in 2013. Alliant Energy, through Corporate Services as agent for IPL and WPL, has entered into contracts with different suppliers to help ensure that a specified supply of coal is available at known prices for IPL's and WPL's coal-fired EGUs for 2014 through 2018. As of December 31, 2013, existing contracts provide for a portfolio of coal supplies that cover approximately 76%, 69%, 57%, 30% and 20% of IPL's and WPL's estimated aggregate annual coal supply needs for 2014 through 2018, respectively. Alliant Energy, IPL and WPL believe this portfolio of coal supplies represents a reasonable balance between the risks of insufficient supplies and those associated with being unable to respond to future coal market changes. Alliant Energy, IPL and WPL expect to meet remaining coal requirements from either future term contracts or purchases in the spot market. Alliant Energy, through its subsidiaries Corporate Services, IPL and WPL, also enters into various coal transportation agreements to meet IPL's and WPL's coal supply requirements. As of December 31, 2013, existing coal transportation agreements cover approximately 100% and 14% of IPL's estimated coal transportation needs for 2014 and 2015, respectively, and 100% and 31% of WPL's estimated coal transportation needs for 2014 and 2015, respectively.

Nearly all of the coal utilized by IPL and WPL is from the Wyoming Powder River Basin. A majority of this coal is transported by rail-car directly from Wyoming to IPL's and WPL's EGUs, with the remainder transported from Wyoming to the Mississippi River by rail-car and then via barges to the final destination. As protection against interruptions in coal deliveries, IPL and WPL strive to maintain average coal inventory supply targets of 25 to 55 days for EGUs with year-round deliveries and 30 to 150 days (depending upon the time of year) for EGUs with seasonal deliveries. Actual inventory averages for 2013 were 42 days for EGUs with year-round deliveries and 106 days for EGUs with seasonal deliveries. The average days on hand were computed based on actual tons of inventory divided by estimated average daily tons burned. Alliant Energy, IPL and WPL periodically test coal from sources other than the Wyoming Powder River Basin to determine which alternative sources of coal are most compatible with their EGUs. Access to alternative sources of coal is expected to provide Alliant Energy, IPL and WPL with further protection against interruptions and lessen their dependence on their primary coal source.

Average delivered fossil fuel costs are expected to increase in the future due to price structures and adjustment provisions in existing coal contracts, rate structures and adjustment provisions in existing transportation contracts, expiration of legacy transportation contracts, fuel-related surcharges incorporated by transportation carriers and expected future coal and transportation market trends. Existing coal commodity contracts with terms of greater than one year have fixed future year prices that generally reflect recent market trends. Rate adjustment provisions in older transportation contracts are primarily based on changes in the Rail Cost Adjustment Factor as published by the U.S. Surface Transportation Board. Rate adjustment provisions in more recent transportation contracts are based on changes in the All Inclusive Index Less Fuel as

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published by the Association of American Railroads. These more recent transportation contracts also contain fuel surcharges that are subject to change monthly based on changes in diesel fuel prices. Other factors that may impact coal prices for future commitments are increasing costs for supplier mineral rights, increasing costs to mine the coal, and changes in various associated laws and regulations. For example, emission restrictions related to SO2, NOx and mercury, along with other environmental limitations on EGUs, continue to increase and will likely limit the ability to obtain, and further increase the cost of, adequate coal supplies. Factors that may impact future transportation rates include, but are not limited to: the need for railroads to enhance and expand infrastructure, corresponding investments in locomotives and crews, and the desire to improve margins on coal movements commensurate with margins on non-coal movements.

Alliant Energy, IPL and WPL believe they are reasonably insulated against coal price volatility given their current coal procurement process, the specific coal market in their primary purchase region and regulatory cost-recovery mechanisms. Alliant Energy's coal procurement process stresses periodic purchases, staggering of contract terms, stair-stepped levels of supply going forward for multiple years and supplier diversity. Similarly, given the term lengths of their transportation agreements and strategic alignment of agreement expirations for negotiation purposes, Alliant Energy, IPL and WPL believe they are reasonably insulated against future higher coal transportation rates from the major railroads.

Natural Gas - Alliant Energy owns several larger natural gas-fired EGUs, including IPL's Emery (603 MW), WPL's Neenah (371 MW), WPL's Riverside (675 MW) and Resources' Sheboygan Falls (347 MW) facilities. WPL has exclusive rights to the output of Sheboygan Falls under an affiliated lease agreement. IPL and WPL also own several smaller natural gas-fired EGUs currently and expect to convert some EGUs currently fueled with coal to natural gas in the future. These facilities help meet customer demand for electricity generally during peak hour demands and when natural gas prices are low enough to make natural gas-fired generation economical compared to other fuel sources. Internally generated electric supply from natural gas-fired EGUs represented approximately 5% to 10% of Alliant Energy's, IPL's and WPL's total sources of electric energy in 2013. Alliant Energy manages the gas supply to these gas-fired EGUs and provides supply through a combination of third-party deliveries and pipeline transportation and storage contracts held by IPL and WPL.

Wind - IPL's 200 MW Whispering Willow - East wind project in Franklin County, Iowa began generating electricity in 2009. WPL's 68 MW Cedar Ridge wind project in Fond du Lac County, Wisconsin began generating electricity in 2008. WPL's 201 MW Bent Tree - Phase I wind project in Freeborn County, Minnesota began full generation of electricity in 2011. Internally generated electric supply from wind facilities represented approximately 5% of Alliant Energy's, IPL's and WPL's total sources of electric energy in 2013. All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with RES or other regulatory requirements, or sold to third parties in the form of RECs or other environmental commodities.

Purchased Power - IPL and WPL periodically enter into PPAs and purchase electricity from wholesale energy markets to meet a portion of their customer demand for electricity. Purchased power represented approximately 30% to 50% of Alliant Energy's, IPL's and WPL's total sources of electric energy in 2013. IPL's most significant PPA is for the purchase of 431 MWs of capacity and the resulting energy from DAEC for a term from February 22, 2014 through December 31, 2025. WPL's most significant PPA is for the purchase of 150 MWs of energy for a term from January 1, 2014 through December 31, 2018.

Refer to Note 1(g) for discussion of IPL's and WPL's rate recovery of fuel-related costs and Note 16(b) for details on IPL's and WPL's coal, natural gas and other purchased power commitments in the "Combined Notes to Consolidated Financial Statements."

Electric Transmission -
IPL - IPL currently receives substantially all its electric transmission services from ITC. ITC is an independent for-profit, transmission-only company and is a transmission-owning member of the MISO RTO, MRO and Reliability First Corporation Regional Entities. The annual transmission service rates that ITC charges its customers is calculated each calendar year using a FERC-approved cost of service formula rate template referred to as Attachment "O." Refer to "Other Future Considerations" in MDA for additional information regarding transmission service charges from ITC. Refer to "Rate Matters" in MDA for discussion of a transmission cost rider approved by the IUB in January 2011 for recovery of IPL's electric transmission service expenses.

WPL - WPL currently receives substantially all its transmission services from ATC. ATC is an independent for-profit, transmission-only company and is a transmission-owning member of the MISO RTO, MRO and Reliability First Corporation Regional Entities. The annual transmission service rates that ATC charges its customers are calculated each calendar year using a FERC-approved cost of service formula rate template referred to as Attachment "O."

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As of December 31, 2013, WPL, through its ownership interest in WPL Transco, held a 16% ownership interest in ATC with a carrying value of $272 million. WPL's investment in ATC generated equity income of $43 million in 2013 for Alliant Energy and WPL. During 2013, ATC distributed to WPL, through WPL's ownership interest in WPL Transco, $34 million in the form of dividends, or approximately 80% of WPL's equity earnings from ATC. Although no assurance can be given, Alliant Energy and WPL anticipate ATC will continue a dividend payout ratio close to this level in the future.

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. Beginning in 2014, WPL Transco's capital contributions to ATC are expected to be funded from ATI instead of WPL. As a result of ATI funding these capital contributions to ATC, WPL's ownership interest in ATC, through its ownership interest in WPL Transco, is expected to decrease over time and ATI's ownership interest in ATC, through its ownership interest in WPL Transco, is expected to increase. ATC's future dividends distributed to WPL and ATI will be based on their respective ownership interest in WPL Transco at the time of the dividend payment.

Alliant Energy currently anticipates that ATI will fund capital contributions of approximately $10 million, $10 million and $15 million to ATC in 2014, 2015 and 2016, respectively, to help fund future proposed transmission projects. These future proposed transmission projects require approval from various regulatory agencies to construct. Certain of these future proposed transmission projects are currently being challenged by other utilities and other transmission-only companies who have requested to own a portion of the future transmission projects proposed by ATC. Alliant Energy and WPL are currently unable to determine the impact these challenges may have on ATC's plans to construct these proposed transmission projects and the resulting impact on ATI's future capital contributions to ATC and WPL's and ATI's equity earnings income and dividends received from ATC.

In 2011, Duke Energy Corporation and ATC announced the creation of DATC, a joint venture that is expected to build, own and operate new electric transmission infrastructure in North America. In 2011, DATC announced its first set of transmission projects, which include seven new transmission lines in five Midwestern states to be constructed over a 10-year period for an aggregate cost of approximately $4 billion. These transmission projects are subject to approval by various regulatory agencies. Alliant Energy and WPL are currently unable to determine what impacts the joint venture and transmission line projects noted above, if constructed, will have on their future equity income, distributions from ATC, capital contributions to ATC, or ownership in ATC.

Refer to Note 18 of the "Combined Notes to Consolidated Financial Statements" for details of agreements between ATC and WPL. Refer to "Other Future Considerations" in MDA for discussion of potential changes to ATC's return on equity and regulatory capital structure for common equity, which could result in Alliant Energy and WPL realizing lower equity income and dividends from ATC in the future.

MISO Markets - IPL and WPL are members of MISO, a FERC-approved RTO, which is responsible for monitoring and ensuring equal access to the transmission system in their service territories. IPL and WPL participate in the wholesale energy and ancillary services markets operated by MISO, which are discussed in more detail below. Corporate Services acts as agent on behalf of IPL and WPL pursuant to service agreements. As agent, Corporate Services enters into energy, capacity, ancillary services, and transmission sale and purchase transactions within the markets operated by MISO and PJM. Corporate Services assigns such sales and purchases among IPL and WPL based on statements received from MISO and PJM. Refer to Note 18 of the "Combined Notes to Consolidated Financial Statements" for additional discussion of these assigned amounts.

Wholesale Energy Market - IPL and WPL participate in the wholesale energy market operated by MISO. The market dictates the process by which IPL and WPL buy and sell wholesale electricity, obtain transmission services, schedule

generation and ensure resource adequacy to reliably serve load. In the market, IPL and WPL submit day-ahead and/or real-time bids and offers for energy. MISO evaluates IPL's, WPL's and other market participants' offers, bids and energy injections into, and withdrawals from, the system to economically dispatch the entire MISO system on an hourly basis. MISO settles these hourly offers and bids based on locational marginal prices, which are market-driven values based on the specific time and location of the purchase and/or sale of energy. The market is intended to send price signals to stakeholders about where generation or transmission system expansion is needed. In addition, MISO may dispatch generators that support reliability needs, but that would not have operated based on economic needs. In these cases, MISO's settlement assures that these generators are made whole financially for their variable costs. IPL and WPL may also periodically engage in related transactions in PJM's bid/offer-based wholesale energy market, which are accounted for in a similar manner as the MISO transactions.

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Ancillary Services Market - IPL and WPL also participate in MISO's ancillary services market. The ancillary services market integrates the procurement and use of regulation and contingency reserves with the existing wholesale energy market. Regulation reserves refer to generation available to meet the moment-to-moment changes in generation that are necessary to meet changes in electricity demand. Contingency reserves refer to additional generation or demand response resources, either on-line or that can be brought on-line within 10 minutes, to meet certain major events such as the loss of a large EGU or transmission line.

Financial Transmission Rights and Auction Revenue Rights - In areas of constrained transmission capacity, costs could be higher due to congestion and its impact on locational marginal prices. FTRs provide a hedge for congestion costs that occur in the MISO day-ahead energy market. MISO allocates ARRs to IPL and WPL each year based on historical use of the transmission system. The revenue rights associated with the allocated ARRs are used by IPL and WPL to acquire FTRs through the FTR auctions operated by MISO. MISO allocates ARRs annually based on a fiscal year from June 1 through May 31. IPL's and WPL's current FTRs acquired from ARRs extend through May 31, 2014.

Multi-value Projects - MISO tariffs billed to IPL and WPL include costs related to various shared transmission projects, including MVPs. MVPs include new large scale transmission projects that enable the reliable and economic delivery of energy in support of documented energy policy mandates, reduce market congestion or provide economic value across multiple pricing zones within MISO. MVP costs are socialized across the entire MISO footprint based on energy usage of each MISO participant. The MISO transmission charges billed to IPL and WPL are expected to increase in the future due to the increased number of shared transmission projects occurring in the MISO region. Refer to "Other Future Considerations" in MDA for further discussion of MISO transmission charges billed to IPL and WPL.

Attachment Y Notices and System Support Resources - MISO requires its market participants (including IPL and WPL, among others) who own EGUs to submit an Attachment Y Notice if they plan to retire an EGU or suspend operations of an EGU for a period longer than two months. Upon receiving an Attachment Y Notice, MISO will conduct a study to determine whether all or a portion of the EGU's capacity is necessary to maintain system reliability. If the EGU's capacity is determined to be necessary to maintain system reliability, MISO designates the EGU as an SSR. When an EGU is required to continue to operate for system reliability, the market participant may enter into an SSR agreement and negotiate an annual revenue requirement with MISO. The annual revenue requirement for the SSR is subject to FERC approval and is assigned to load serving entities that benefit from the continued operations of the EGU. In April 2013, the PSCW issued an order allowing investor-owned Wisconsin utilities to defer SSR costs incurred through December 31, 2015. Alliant Energy, IPL and WPL are currently unable to estimate the amount of aggregate SSR charges that may be assigned to IPL and WPL as load serving entities. Alliant Energy, IPL and WPL are also currently unable to estimate the impacts of any potential SSR designations on EGUs they plan to retire. Refer to "Strategic Overview" in MDA for discussion of EGUs that IPL and WPL currently plan to retire and "Other Future Considerations" in MDA for discussion of additional costs expected to be allocated to WPL in the future resulting from an SSR agreement MISO filed in January 2014 with another utility related to one of their EGUs designated as an SSR in one of ATC's local resource zones.

Electric Environmental Matters - Refer to Note 16(e) of the "Combined Notes to Consolidated Financial Statements" and "Environmental Matters" in MDA for discussion of electric environmental matters, including current or proposed environmental regulations.

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Alliant Energy Corporation Electric Operating Information	2013	2012	2011	2010	2009
Operating Revenues (in millions):					
Residential	$1,009.1	$975.9	$985.8	$1,001.5	$868.6
Commercial	649.4	611.4	612.1	619.0	556.8
Industrial	765.4	741.8	748.9	762.8	710.7
Retail subtotal	2,423.9	2,329.1	2,346.8	2,383.3	2,136.1
Sales for resale:					
Wholesale	195.4	187.6	189.8	196.8	190.1
Bulk power and other	17.7	23.8	52.2	44.1	98.3
Other	52.0	48.8	47.0	50.0	51.4
Total	$2,689.0	$2,589.3	$2,635.8	$2,674.2	$2,475.9
Electric Sales (000s MWh):					
Residential	7,824	7,679	7,740	7,836	7,532
Commercial	6,432	6,352	6,253	6,219	6,108
Industrial	11,471	11,555	11,504	11,213	10,948
Retail subtotal	25,727	25,586	25,497	25,268	24,588
Sales for resale:					
Wholesale	3,564	3,317	3,372	3,325	3,251
Bulk power and other	763	1,303	1,757	1,378	2,583
Other	152	151	151	153	155
Total	30,206	30,357	30,777	30,124	30,577
Customers (End of Period):					
Residential	847,350	844,388	842,780	841,726	840,927
Commercial	138,520	137,791	136,732	135,832	135,099
Industrial	2,881	2,842	2,895	2,875	2,881
Other	3,657	3,647	3,638	3,632	3,555
Total	992,408	988,668	986,045	984,065	982,462
Other Selected Electric Data:					
Maximum peak hour demand (MW)	5,820	5,886	5,734	5,425	5,491
Cooling degree days (a):					
Cedar Rapids, Iowa (IPL) (normal - 740)	884	1,052	887	923	406
Madison, Wisconsin (WPL) (normal - 625)	709	1,070	814	829	368
Sources of electric energy (000s MWh):					
Coal	14,873	14,680	16,440	16,366	15,321
Purchased power:					
Nuclear (b)	5,544	5,483	5,483	5,667	5,428
Wind (c)	1,201	1,188	1,285	1,254	957
Other (c)	5,541	7,053	6,244	6,260	8,585
Gas	2,224	1,285	588	633	661
Wind (c)	1,375	1,198	1,188	588	222
Other (c)	200	183	225	232	180
Total	30,958	31,070	31,453	31,000	31,354
Revenue per KWh sold to retail customers (cents)	9.42	9.10	9.20	9.43	8.69

(a) Cooling degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical cooling degree days.

(b)

2013 MWh includes replacement energy provided under the Kewaunee PPA after Kewaunee was shut down in May 2013.

(c) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements, or sold to third parties in the form of renewable energy credits or other environmental commodities.

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Interstate Power and Light Company Electric Operating Information	2013	2012	2011	2010	2009
Operating Revenues (in millions):					
Residential	$574.3	$529.9	$543.2	$561.9	$478.9
Commercial	409.6	365.3	366.0	378.7	336.8
Industrial	442.9	408.0	415.4	441.9	412.5
Retail subtotal	1,426.8	1,303.2	1,324.6	1,382.5	1,228.2
Sales for resale:					
Wholesale	30.0	27.8	29.6	29.8	23.5
Bulk power and other	2.0	9.5	24.6	23.5	37.3
Other	33.0	30.6	29.5	28.5	26.6
Total	$1,491.8	$1,371.1	$1,408.3	$1,464.3	$1,315.6
Electric Sales (000s MWh):					
Residential	4,272	4,141	4,223	4,295	4,113
Commercial	4,118	4,045	3,953	3,944	3,851
Industrial	6,973	7,116	7,080	6,961	6,829
Retail subtotal	15,363	15,302	15,256	15,200	14,793
Sales for resale:					
Wholesale	419	418	417	425	403
Bulk power and other	98	377	729	683	901
Other	80	81	84	83	84
Total	15,960	16,178	16,486	16,391	16,181
Customers (End of Period):					
Residential	444,905	443,802	443,358	443,694	443,615
Commercial	81,587	81,203	80,506	80,063	79,805
Industrial	1,863	1,836	1,906	1,900	1,914
Other	1,374	1,381	1,381	1,366	1,376
Total	529,729	528,222	527,151	527,023	526,710
Other Selected Electric Data:					
Maximum peak hour demand (MW)	3,107	3,130	3,131	2,963	2,981
Cooling degree days (a):					
Cedar Rapids, Iowa (normal - 740)	884	1,052	887	923	406
Sources of electric energy (000s MWh):					
Coal	6,705	7,302	8,456	8,663	8,162
Purchased power:					
Nuclear	3,592	3,641	3,624	3,623	3,577
Wind (b)	768	743	661	606	571
Other (b)	3,766	3,237	3,094	3,014	3,744
Gas	920	1,081	532	578	636
Wind (b)	639	579	568	353	42
Other (b)	22	38	18	22	16
Total	16,412	16,621	16,953	16,859	16,748
Revenue per KWh sold to retail customers (cents)	9.29	8.52	8.68	9.10	8.30

(a) Cooling degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical cooling degree days.

(b) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements, or sold to third parties in the

form of renewable energy credits or other environmental commodities.

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Wisconsin Power and Light Company Electric Operating Information	2013	2012	2011	2010	2009
Operating Revenues (in millions):					
Residential	$434.8	$446.0	$442.6	$439.6	$389.7
Commercial	239.8	246.1	246.1	240.3	220.0
Industrial	322.5	333.8	333.5	320.9	298.2
Retail subtotal	997.1	1,025.9	1,022.2	1,000.8	907.9
Sales for resale:					
Wholesale	165.4	159.8	160.2	167.0	166.6
Bulk power and other	15.7	14.3	27.6	20.6	61.0
Other	19.0	18.2	17.5	21.5	24.8
Total	$1,197.2	$1,218.2	$1,227.5	$1,209.9	$1,160.3
Electric Sales (000s MWh):					
Residential	3,552	3,538	3,517	3,541	3,419
Commercial	2,314	2,307	2,300	2,275	2,257
Industrial	4,498	4,439	4,424	4,252	4,119
Retail subtotal	10,364	10,284	10,241	10,068	9,795
Sales for resale:					
Wholesale	3,145	2,899	2,955	2,900	2,848
Bulk power and other	665	926	1,028	695	1,682
Other	72	70	67	70	71
Total	14,246	14,179	14,291	13,733	14,396
Customers (End of Period):					
Residential	402,445	400,586	399,422	398,032	397,312
Commercial	56,933	56,588	56,226	55,769	55,294
Industrial	1,018	1,006	989	975	967
Other	2,283	2,266	2,257	2,266	2,179
Total	462,679	460,446	458,894	457,042	455,752
Other Selected Electric Data:					
Maximum peak hour demand (MW)	2,752	2,851	2,761	2,654	2,558
Cooling degree days (a):					
Madison, Wisconsin (normal - 625)	709	1,070	814	829	368
Sources of electric energy (000s MWh):					
Coal	8,168	7,378	7,984	7,703	7,159
Purchased power:					
Nuclear (b)	1,952	1,842	1,859	2,044	1,851
Wind (c)	433	445	624	648	386
Other (c)	1,775	3,816	3,150	3,246	4,841
Gas	1,304	204	56	55	25
Wind (c)	736	619	620	235	180
Other (c)	178	145	207	210	164
Total	14,546	14,449	14,500	14,141	14,606
Revenue per KWh sold to retail customers (cents)	9.62	9.98	9.98	9.94	9.27

(a) Cooling degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical cooling degree days.

(b) 2013 MWh includes replacement energy provided under the Kewaunee PPA after Kewaunee was shut down in May 2013.

(c) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements, or sold to third parties in the form of renewable energy credits or other environmental commodities.

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2) GAS UTILITY OPERATIONS

General - Gas utility operations represent the second largest operating segment for Alliant Energy, IPL and WPL. Alliant Energy's gas utility operations are located in the Midwest with IPL providing gas service in Iowa and southern Minnesota, and WPL providing gas service in southern and central Wisconsin. In September 2013, IPL signed a definitive agreement to sell its Minnesota natural gas distribution assets. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of this proposed sale. Refer to the "Gas Operating Information" tables for additional details regarding gas utility operations.

Jurisdictions - Gas utility revenues by state were as follows (dollars in millions):

	2013		2012		2011	
	Amount	Percent	Amount	Percent	Amount	Percent
IPL:						
Iowa	$261.2	56 %	$216.6	55 %	$263.3	55 %
Minnesota	12.7	3 %	10.1	2 %	13.0	3 %
Subtotal	273.9	59 %	226.7	57 %	276.3	58 %
WPL:						
Wisconsin	190.9	41 %	169.6	43 %	200.4	42 %
	$464.8	100 %	$396.3	100 %	$476.7	100 %

Customers - The number of gas customers and communities served at December 31, 2013 were as follows:

	Retail Customers	Transportation / Other Customers	Total Customers	Communities Served
IPL	234,563	365	234,928	243
WPL	182,647	246	182,893	238
	417,210	611	417,821	481

IPL's and WPL's retail gas customers in the above table are billed under base rates established by the IUB, MPUC or PSCW that include recovery of and a return on investments in gas infrastructure and recovery of costs required to serve customers. Commodity, storage and transportation costs incurred by IPL and WPL are recovered pursuant to natural gas cost recovery mechanisms. In addition to sales of natural gas to retail customers, IPL and WPL provide transportation service to commercial and industrial customers by moving customer-owned gas through Alliant Energy's distribution systems to the customers' meters. Revenues are collected for this service pursuant to transportation tariffs. Refer to "Rate Matters" in MDA for discussion of IPL's and WPL's recent retail gas rate cases.

Seasonality - Gas sales follow a seasonal pattern with an annual base-load of gas and a large heating peak occurring during the winter season. Natural gas obtained from producers, marketers and brokers, as well as gas in storage, is utilized to meet the peak heating season requirements. Storage contracts allow IPL and WPL to purchase gas in the summer, store the gas in underground storage fields and deliver it in the winter.

Competition - Federal and state regulatory policies are in place to bring competition to the gas industry. While the gas utility distribution function is expected to remain a regulated function, sales of the natural gas commodity and related services are subject to competition from third-parties. It remains uncertain if, and when, the current economic disincentives for smaller consumption customers to choose an alternative gas commodity supplier may be removed such that the utility business begins to face competition for the sale of gas to those customers.

Gas Supply - IPL and WPL maintain purchase agreements with over 70 suppliers of natural gas from various gas producing regions of the U.S. and Canada. The majority of the gas supply contracts are for terms of six months or less, with the remaining supply contracts having terms through September 2016. IPL's and WPL's gas supply commitments

are primarily market-based.

In more recent years, natural gas prices have fallen to levels not seen in a decade. Prices have fallen largely due to surging supply caused by shale gas production. Given the tariffs for IPL's and WPL's retail gas customers provide for subsequent adjustments to their rates in the cost of gas sold, the decreased natural gas prices do not have a material impact on their respective gas margins.

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In providing gas commodity service to retail customers, Corporate Services administers a diversified portfolio of transportation and storage contracts on behalf of IPL and WPL. Transportation contracts with NNG, ANR, NGPL and NBPL allow access to gas supplies located in the U.S. and Canada. Arrangements with FCS provide IPL with gas delivered directly to its service territory. In 2013, the maximum daily delivery capacity for IPL and WPL was as follows (in Dths):

	NNG	ANR	NGPL	FCS	NBPL	Total
IPL	191,669	43,180	76,673	15,000	4,085	330,607
WPL	76,056	167,467	—	—	—	243,523

Refer to Note 1(g) for information relating to utility natural gas cost recovery mechanisms and Note 16(b) for discussion of natural gas commitments in the "Combined Notes to Consolidated Financial Statements."

Gas Environmental Matters - Refer to Note 16(e) of the "Combined Notes to Consolidated Financial Statements" and "Environmental Matters" in MDA for discussion of gas environmental matters.

Alliant Energy Corporation Gas Operating Information	2013	2012	2011	2010	2009
Operating Revenues (in millions):					
Residential	$262.5	$224.3	$269.7	$273.7	$290.8
Commercial	150.3	124.3	155.1	154.2	174.7
Industrial	21.1	16.7	24.5	27.3	30.7
Retail subtotal	433.9	365.3	449.3	455.2	496.2
Transportation/other	30.9	31.0	27.4	25.4	29.1
Total	$464.8	$396.3	$476.7	$480.6	$525.3
Gas Sales (000s Dths):					
Residential	29,916	23,071	26,891	27,128	27,711
Commercial	21,892	17,115	19,271	18,691	20,725
Industrial	3,803	3,068	3,848	4,158	4,558
Retail subtotal	55,611	43,254	50,010	49,977	52,994
Transportation/other	60,261	57,532	52,210	50,408	54,518
Total	115,872	100,786	102,220	100,385	107,512
Retail Customers at End of Period:					
Residential	370,895	368,708	367,497	366,261	365,597
Commercial	45,874	45,684	45,667	45,552	45,641
Industrial	441	456	496	549	571
Total	417,210	414,848	413,660	412,362	411,809
Other Selected Gas Data:					
Heating degree days (a):					
Cedar Rapids, Iowa (IPL) (normal - 6,794)	7,232	5,901	6,745	6,868	7,074
Madison, Wisconsin (WPL) (normal - 7,089)	7,627	5,964	6,992	6,798	7,356
Revenue per Dth sold to retail customers	$7.80	$8.45	$8.98	$9.11	$9.36
Purchased gas costs per Dth sold to retail customers	$4.90	$4.94	$5.88	$6.05	$6.47

(a) Heating degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical heating degree days.

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Interstate Power and Light Company Gas Operating Information	2013	2012	2011	2010	2009
Operating Revenues (in millions):					
Residential	$152.8	$126.4	$155.2	$155.6	$168.6
Commercial	85.7	69.7	87.8	88.4	100.8
Industrial	16.1	12.8	19.0	18.4	25.0
Retail subtotal	254.6	208.9	262.0	262.4	294.4
Transportation/other	19.3	17.8	14.3	11.9	14.4
Total	$273.9	$226.7	$276.3	$274.3	$308.8
Gas Sales (000s Dths):					
Residential	16,975	12,955	15,660	15,923	16,072
Commercial	12,051	9,403	10,677	10,596	11,451
Industrial	2,931	2,435	3,023	2,869	3,787
Retail subtotal	31,957	24,793	29,360	29,388	31,310
Transportation/other	32,019	30,992	27,720	28,071	30,398
Total	63,976	55,785	57,080	57,459	61,708
Retail Customers at End of Period:					
Residential	207,853	207,121	206,964	206,979	206,937
Commercial	26,460	26,439	26,455	26,470	26,545
Industrial	250	260	296	343	359
Total	234,563	233,820	233,715	233,792	233,841
Other Selected Gas Data:					
Heating degree days (a):					
Cedar Rapids, Iowa (normal - 6,794)	7,232	5,901	6,745	6,868	7,074
Revenue per Dth sold to retail customers	$7.97	$8.43	$8.92	$8.93	$9.40
Purchased gas cost per Dth sold to retail customers	$4.96	$4.92	$5.96	$6.05	$6.61

(a) Heating degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical heating degree days.

Wisconsin Power and Light Company Gas Operating Information	2013	2012	2011	2010	2009
Operating Revenues (in millions):					
Residential	$109.7	$97.9	$114.5	$118.1	$122.2
Commercial	64.6	54.6	67.3	65.8	73.9
Industrial	5.0	3.9	5.5	8.9	5.7
Retail subtotal	179.3	156.4	187.3	192.8	201.8
Transportation/other	11.6	13.2	13.1	13.5	14.7
Total	$190.9	$169.6	$200.4	$206.3	$216.5
Gas Sales (000s Dths):					
Residential	12,941	10,116	11,231	11,205	11,639
Commercial	9,841	7,712	8,594	8,095	9,274
Industrial	872	633	825	1,289	771
Retail subtotal	23,654	18,461	20,650	20,589	21,684
Transportation/other	28,242	26,540	24,490	22,337	24,120
Total	51,896	45,001	45,140	42,926	45,804
Retail Customers at End of Period:					
Residential	163,042	161,587	160,533	159,282	158,660

Commercial	19,414	19,245	19,212	19,082	19,096
Industrial	191	196	200	206	212
Total	182,647	181,028	179,945	178,570	177,968
Other Selected Gas Data:					
Heating degree days (a):					
Madison, Wisconsin (normal - 7,089)	7,627	5,964	6,992	6,798	7,356
Revenue per Dth sold to retail customers	$7.58	$8.47	$9.07	$9.36	$9.31
Purchased gas cost per Dth sold to retail customers	$4.83	$4.97	$5.77	$6.06	$6.28

(a) Heating degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical heating degree days.

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3) OTHER UTILITY OPERATIONS - STEAM - IPL's Prairie Creek facility is the primary source of steam for IPL's two high-pressure steam customers. IPL's largest high-pressure steam customer accounts for approximately 90% of IPL's steam revenues. This customer is under contract through 2025 for annual steam usage of at least 3.8 million Dths, with certain conditions. IPL's other high-pressure steam customer is under contract through 2025 for annual steam usage of at least 0.2 million Dths for 2014, with certain conditions.

D. INFORMATION RELATING TO NON-REGULATED OPERATIONS

Resources manages a portfolio of wholly-owned subsidiaries and additional investments through the following distinct platforms:

Non-regulated Generation - owns Sheboygan Falls, a 347 MW, simple-cycle, natural gas-fired EGU near Sheboygan Falls, Wisconsin, which is leased to WPL for an initial period of 20 years ending in 2025, and the 99 MW Franklin County wind project in Franklin County, Iowa.

Transportation - includes a short-line railway that provides freight service between Cedar Rapids, Iowa and Iowa City, Iowa; a barge terminal and hauling services on the Mississippi River; and other transfer and storage services.

Other non-regulated investments - includes the Whiting Petroleum tax sharing agreement receivable discussed in Note 5(b) of the "Combined Notes to Consolidated Financial Statements," real estate investments, two corporate airplanes and several other modest investments.

ITEM 1A. RISK FACTORS

You should carefully consider each of the risks described below relating to Alliant Energy, IPL and WPL, together with all of the other information contained in this combined Annual Report on Form 10-K, before making an investment decision with respect to our securities. If any of the following risks develop into actual events, our business, financial condition or results of operations could be materially and adversely affected and you may lose all or part of your investment.

Our business is significantly impacted by government regulation and legislation - We are subject to extensive regulation by federal and state regulatory authorities, which significantly influences our operations and our ability to timely recover costs from customers and earn appropriate rates of return. In particular, regulatory authorities with jurisdiction over public utilities, including the IUB, the PSCW, the MPUC and FERC, regulate many aspects of our operations. Our operations are also governed by organizations such as the North American Electric Reliability Corporation, the Pipeline and Hazardous Materials Safety Administration, and the Midcontinent Independent System Operator, Inc. Operations impacted by these regulatory groups include: the rates charged to our customers; our ability to site and construct new generating facilities, such as the natural gas generating facility in Marshalltown, Iowa, any potential new generation investment in Wisconsin, and future wind projects to utilize our remaining available wind sites, and the amount of costs associated therewith that may be recovered from customers; the installation of environmental emission controls equipment and the amount of costs for the construction and maintenance of such equipment that may be recovered from customers; our ability to decommission generating facilities and recover the costs incurred to decommission the facilities and the remaining carrying value of such facilities; the amount of certain sources of energy we must use, such as renewable sources and reductions in energy usage by customers; our ability to purchase generating facilities and the amount of costs associated therewith that may be recovered from customers; the rates paid to transmission operators and the amount of those costs, and how those costs are recovered from customers; our ability to enter into purchased power agreements, such as the purchased power agreement entered into with

NextEra Energy, Inc., the amount of costs associated therewith, and how those costs are recovered from customers; energy capacity standards and what forms of energy are considered when determining whether we meet those standards; the allocation of expenditures by transmission companies on transmission network upgrades and our ability to recover costs associated therewith from customers; reliability; safety; the issuance of securities; accounting matters; and transactions between affiliates. Failure to obtain approvals from regulatory authorities for any of these matters, failure to receive approvals in a timely manner, or receiving approvals with uneconomical conditions may adversely impact our ability to achieve our strategic plan, cause us to record an impairment of our assets, and have a material adverse impact on our financial condition and results of operations.

These regulatory authorities are also empowered to impose financial penalties and other sanctions if we are found to have violated statutes and regulations governing utility operations. While we believe we comply in all material respects with applicable laws and regulations governing us, state or federal agencies may not agree and may find that we violated a law or

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regulation. Such a finding could cause fines or penalties or could require us to implement new compliance programs, which could increase our costs of compliance and may adversely impact our financial condition and results of operations.

Our utility financial condition is influenced by how regulatory authorities establish the rates we can charge our customers, our authorized rates of return and common equity levels, and the amount of deferred costs that may be recovered from customers. Our ability to obtain rate adjustments to earn authorized rates of return depends upon timely regulatory action under applicable statutes and regulations, and we cannot assure that rate adjustments will be obtained or authorized rates of return on capital will be earned. In future rate cases, IPL and WPL may not receive an adequate amount of rate relief, rates may be reduced, rate refunds may be required, rate adjustments may not be approved on a timely basis, costs may not be otherwise recovered through rates, future rates may be temporarily frozen (as is the case for WPL's retail electric and gas base rates through 2014) and authorized rates of return on capital may be reduced. As a result, we may experience adverse impacts on our financial condition and results of operations.

We are subject to a wide variety of regulations, including and in addition to those described above, which are constantly changing. Changes in regulations or the imposition of additional regulations may require us to incur additional costs or change business operations or our business plan, which may have an adverse impact on our financial condition and results of operations.

Provisions of the Wisconsin Utility Holding Company Act limit our ability to invest in non-utility activities. Takeover attempts by potential purchasers who might be willing to pay a premium for our stock are also limited by certain provisions of the Wisconsin Utility Holding Company Act and the delays and conditions that generally result from the requirement that regulatory authorities approve such a transaction.

Large construction projects are subject to delays and cost increases that may not be recovered from customers - Our strategic plan includes installing environmental control equipment at our newer and more efficient coal-fired generating facilities, making other large-scale improvements to such generating facilities, and the construction of natural gas-fired generating facilities. These large construction projects are subject to various risks that could cause costs to increase or cause delays in completion. These risks include changes in costs of materials, equipment, commodities, fuel or labor; shortages in materials, equipment and qualified labor; changes to the scope or timing of the projects; general contractors or subcontractors not performing as required under their contracts; the inability to agree to contract terms or disputes in contract terms; poor initial cost estimates; work stoppages; adverse weather conditions; the inability to obtain necessary permits in a timely manner; adverse interpretation or enforcement of permit conditions; changes in applicable laws or regulations; governmental actions; legal action; unforeseen engineering or technology issues; limited access to capital; and other adverse economic conditions. If a construction project is not completed or is delayed, or final costs exceed the costs approved by our regulators, for example, if the Marshalltown Generating Station exceeds the cost cap approved by the IUB, we may not be able to recover all costs for the project in rates and face increased risk of potential impairment of our investment in the project. Inability to recover costs, or inability to complete the project in a timely manner, could adversely impact our financial condition and results of operations.

We are subject to numerous environmental laws and regulations, compliance with which could be difficult and costly, and pursuant to which we could incur material liabilities - We are subject to environmental laws and regulations that affect many aspects of our past, present and future operations. We are also subject to a Consent Decree between WPL, the EPA and the Sierra Club, which resolved environmental claims related to WPL's generating facilities. The regulations and the Consent Decree govern air emissions, water quality, cooling water intake structures, wastewater discharges, the generation, transport and disposal of coal combustion products and other solid wastes and hazardous

substances, and the clean-up of contaminated sites. These laws and regulations require us to obtain and comply with a wide variety of environmental registrations, licenses, permits, inspections and other approvals, which are subject to renewal proceedings and legal challenges. Environmental laws, regulations and the Consent Decree can also require us to restrict or limit the output of certain facilities or the use of certain fuels, to install emission controls equipment at our facilities, clean up spills and correct environmental hazards and other contamination. We may be required to pay all or a portion of the costs to remediate (i.e., clean-up) sites where our past activities, or the activities of certain other parties, caused environmental contamination, including sites of manufactured gas plants operated by our predecessors. Compliance with these regulations can significantly increase capital spending, operating costs, and plant down-times and can negatively affect the affordability of rates we charge our customers. We cannot predict with certainty the amount and timing of all future expenditures (including the potential or magnitude of any fines or penalties, including the severity of any restriction on our operations) necessary to comply with, or as a result of liabilities under, these environmental laws, regulations, and the Consent Decree, although we expect the expenditures to be material.

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Although we believe we comply in all material respects with currently applicable environmental laws, regulations, and the Consent Decree, we may receive notices of violation from state or federal agencies. Citizen groups or private individuals that feel environmental regulations are not being sufficiently enforced by regulatory agencies may bring legal action against those regulatory agencies or bring citizen enforcement actions against us. We may be subject to litigation over environmental issues, including claims for property damage or personal injury, or suits by citizen groups alleging violations of environmental requirements. For example, the Consent Decree resulted from allegations originally raised by the Sierra Club that WPL violated various provisions of the Clean Air Act. If we are unsuccessful defending or settling litigation from governmental agencies or citizen groups, we could be subject to restrictions or prohibitions on operating our generation facilities, costly upgrades to our generating facilities, payment of damages or fines, requirements to complete other beneficial environmental projects, and litigation costs, all of which could be material. An adverse result in such legal actions could have a material adverse impact on our financial condition and results of operations.

We are subject to existing and potential future governmental mandates to provide customers with clean energy, renewable energy and energy conservation offerings. These mandates are designed in part to mitigate the potential environmental impacts of utility operations. Failure to meet the requirements of these mandates may result in fines or penalties, which could have a material adverse effect on our results of operations. If our regulators do not allow us to recover all or a part of the costs incurred to comply with the mandates, it could have a material adverse effect on our results of operations.

Existing environmental laws or regulations may be revised and new laws or regulations seeking to protect the environment may be adopted or become applicable to us. These revised and new laws or regulations may include regulation of mercury, nitrogen oxide, sulfur dioxide, carbon dioxide (CO2) and other greenhouse gases (GHG) emissions, particulates, coal ash and other coal combustion products, and cooling water intake structures. Such changes could materially increase our cost of compliance. Our strategic plan was developed in part to comply with certain expected environmental laws and regulations as we anticipate they will be finally adopted. Revision of existing environmental laws or regulations may cause: (1) state utility commissions to not approve our plans to install environmental emission controls equipment at our existing generating facilities or not allow us to recover costs of such projects; (2) state utility commissions to not approve costs of emission allowances purchased to comply with environmental regulations that are no longer applicable to our operations; (3) co-owners in our jointly-owned facilities to not agree with our decision to move forward with these projects; or (4) our current plans do not meet new requirements. These outcomes could have a material adverse effect on our financial condition and results of operations.

Actions related to global climate change and reducing GHG emissions could negatively impact us - The primary GHG emitted from our utility operations is CO2 from combustion of fossil fuels at our generating facilities, which are primarily coal-fired facilities. We could incur costs or other obligations to comply with any GHG regulations that are adopted in the future, and could become the target of legal claims or challenges, because generating electricity using fossil fuels emits CO2 and other GHGs. In particular, President Obama and his administration have affirmed that the regulation of GHG emissions continues to be a top priority. The EPA has issued proposed regulations governing GHG emissions from new generating facilities, which would impact the Marshalltown Generating Station and any new generation investment in Wisconsin. The EPA is also expected to propose regulations in 2014 governing GHG emissions from existing generating facilities, which potentially could impact all of our generating facilities. Due to the uncertainty of what form CO2 emissions regulations regarding our existing generating facilities could take and control technologies available to reduce GHG emissions, including CO2, we cannot provide any assurance regarding the potential impacts any future regulations would have on our operations. The impacts of such proposals could have a material adverse impact on our financial condition and results of operations.

Demand for energy may decrease - Our results of operations are affected by the demand for energy in our service territories. We could lose customers, and therefore see lower demand for energy, due to economic conditions, customers constructing their own generation facilities, higher costs and rates charged to customers, or loss of service territory or franchises. Further, the energy conservation and technological advances that increase energy efficiency may temporarily or permanently reduce the demand for energy products. In addition, state and/or federal regulations require mandatory conservation measures, which would reduce the demand for energy. We may also lose wholesale customers to competitors. Technology improvements and regulatory developments are making distributed generation feasible for more of our customers. As more customers utilize distributed generation, demand for energy from us may decline. Future economic growth may not create enough growth for us to replace the lost energy demand from these customers. The loss of customers, the inability to replace those customers with new customers, and the decrease in demand for energy could negatively impact our financial condition and results of operations.

Regional and national economic conditions could have an unfavorable impact on us - Our utility and non-regulated businesses follow the economic cycles of the customers we serve and credit risk of counterparties we do business with.

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Adverse economic conditions in our service territories reduce the demand for electricity and natural gas. We lost certain customers after plants closed due to the 2009 recession. Reduced volumes of electricity and natural gas sold, or the inability to collect unpaid bills from our customers from a deterioration in national or regional economic conditions, could adversely impact our financial condition and results of operations.

Our operating results may fluctuate on a seasonal and quarterly basis and can be adversely affected by the impacts of weather - Our electric and gas utility businesses are seasonal businesses and weather patterns can have a material impact on their operating performance. Demand for electricity is greater in the summer months associated with higher air conditioning needs. In addition, market prices for electricity generally peak in the summer due to the higher demand. Conversely, demand for natural gas depends significantly upon weather patterns in winter months due to heavy use in residential and commercial heating. As a result, our overall operating results in the future may fluctuate substantially on a seasonal basis. In addition, we have historically generated less revenues and income when weather conditions are warmer in the winter and cooler in the summer. Thus, unusually mild winters and summers could have an adverse effect on our financial condition and results of operations.

Threats of terrorism and catastrophic events that could result from terrorism may impact our operations in unpredictable ways - We are subject to direct and indirect effects of terrorist threats and activities. Generating, transmission and distribution facilities, in general, have been identified as potential targets of physical attacks. Physical attacks on transmission and distribution facilities, including a substation in San Jose, California and substation and transmission facilities in Arkansas, appeared to be terrorist-style attacks. The risks posed by such attacks could include, among other things, the inability to generate, purchase or distribute electric energy or obtain fuel sources, the increased cost of security and insurance, the disruption of, volatility in, or other effects on capital markets, and a decline in the economy within our service territories, all of which could adversely impact our financial condition and results of operations. In addition, the cost of repairing damage to our generating facilities and infrastructure due to acts of terrorism, and the loss of revenue if such events prevent us from providing utility service to our customers, could adversely impact our financial condition and results of operations.

A cyber attack may disrupt our operations or lead to a loss or misuse of confidential and proprietary information or potential liability - We operate in an industry that requires the continuous use and operation of sophisticated information technology systems and network infrastructure. In addition, in the ordinary course of business, we collect and retain sensitive information including personal information about our customers and employees. Cyber attacks targeting our electronic control systems used at our generating facilities and for electric and gas distribution systems, could result in a full or partial disruption of our electric and/or gas operations. Any disruption of these operations could result in a loss of service to customers and a significant decrease in revenues, as well as significant expense to repair system damage and remedy security breaches. Any theft, loss and or/fraudulent use of customer, shareowner, employee or proprietary data as a result of a cyber attack could subject us to significant litigation, liability and costs, as well as adversely impact our reputation with customers and regulators, among others.

We have instituted safeguards to protect our operational systems and information technology assets. FERC, through the North American Electric Reliability Corporation, requires certain safeguards be implemented to deter cyber attacks. The safeguards we have may not always be effective due to the evolving nature of cyber attacks and cyber security. We cannot guarantee that such protections will be completely successful in the event of a cyber attack. If the technology systems were to fail or be breached by a cyber attack or a computer virus, and not be recovered in a timely fashion, we may be unable to fulfill critical business functions and confidential data could be compromised, adversely impacting our financial condition and results of operation.

We may not be able to fully recover costs related to commodity prices - The prices that we may obtain for electric energy may not compensate for changes in delivered coal, natural gas or electric energy spot-market costs, or changes

in the relationship between such costs and the market prices of electric energy. As a result, we may be unable to pass on the changes in costs to our customers, especially at WPL where we do not have a retail electric automatic fuel cost adjustment clause, which would allow for more consistent and timely cost recovery.

We are exposed to changes in the price and availability of coal because the majority of the electricity generated by us is from our coal-fired generating facilities. We have contracts of varying durations for the supply and transportation of coal for most of our existing generating capability, but as these contracts end or otherwise are not honored, we may not be able to purchase coal on terms as favorable as the current contracts. Further, we currently rely on coal primarily from the Powder River Basin in Wyoming and any disruption of coal production in, or transportation from, that region may cause us to incur additional

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costs which may not be fully recovered through rates. Increases in prices and costs due to disruptions that are not fully and timely recovered in rates may adversely affect our financial condition and results of operations.

We are exposed to changes in the price and availability of natural gas. In addition to supplying natural gas to our natural gas customers, we also have responsibility to supply natural gas to certain natural gas-fired electric generating facilities that we own. This increases our exposure to market prices of natural gas, which have remained low recently, but have been volatile in the past. We have natural gas supply contracts in place, which are generally short-term in duration. The natural gas supply commitments are either fixed price in nature or market-based. As some of the contracts are market-based, and all of the contracts are short-term, we may not be able to purchase natural gas with terms and prices as favorable as the current contracts. Further, any disruption of production or transportation of natural gas, such as the recent pipeline explosion in Manitoba, Canada, may cause us to incur additional costs to purchase natural gas, which may not be fully recovered through rates and may adversely impact our financial condition and results of operations.

We may not be able to fully recover higher transmission costs related to changing transmission reliability requirements - Both IPL and WPL pay for the use of the interstate electric transmission system that they do not own or control. Rates charged to IPL and WPL for such transmission service are regulated by FERC. FERC also regulates transmission owners' operations in order to support the reliability of the transmission network. Changes are occurring in the transmission network which are required to, among other things, accommodate renewable energy and the decommissioning of older coal-fired generating facilities. These changes include socializing certain transmission network upgrades and system support resource payments, which may increase transmission costs to IPL and WPL. The prices that IPL and WPL charge for electric energy may not totally compensate for the increase in such transmission costs. We may be unable to fully pass on the increases in such transmission costs to our customers, especially at WPL where we do not have a retail automatic transmission rider. In addition, if the transmission rider at IPL is amended or removed, we may not be able to recover IPL's full transmission costs. Inability to fully recover transmission costs in a timely manner may adversely impact our financial condition and results of operations.

We are dependent on the capital markets and could be negatively impacted by disruptions in the capital markets - Successful implementation of our strategic plan and other long-term business strategies is dependent upon our ability to access the capital markets under competitive terms and rates. We have forecasted capital expenditures of approximately $3.6 billion over the next four years. Disruption, uncertainty or volatility in those markets could increase our cost of capital or limit the availability of capital. Disruptions could be caused by Federal Reserve policies and actions including tapering of its quantitative easing program, U.S. debt management concerns, U.S. debt limit and budget debates including government shutdowns, European sovereign debt concerns, economic downturn or uncertainty, monetary policies, a negative view of the utility industry or our company, failures of financial institutions or other factors. Any disruptions could adversely impact our ability to implement our strategic plan.

We rely on our strong credit ratings to access the credit markets. If our credit ratings are downgraded for any reason, we could pay higher interest rates in future financings, the pool of potential lenders could be reduced, borrowing costs under existing credit facilities could increase, our access to the commercial paper market could be limited, or we could be required to provide additional credit assurance, including cash collateral, to contract counterparties. If our access to capital were to become significantly constrained or costs of capital increased significantly due to lowered credit ratings, prevailing industry conditions, regulatory constraints, the volatility of the capital markets or other factors, our financial condition and results of operations could be significantly adversely affected.

We are subject to employee workforce factors that could affect our businesses - We are subject to employee workforce factors, including loss or retirement of key personnel, and the availability of, and our ability to recruit, qualified personnel, which could affect our businesses and our financial condition and results of operations. Further, our

workforce includes a significant number of employees who are nearing retirement. We need employees with specialized and technical skills in order to achieve our strategic plan. It may be difficult to retain current employees with these specialized skills, especially as they near retirement, and it may be difficult to find new employees with the necessary skills. We are also subject to collective bargaining agreements with approximately 2,300 employees. Our contract with one collective bargaining unit representing over 1,000 of our employees is due to expire in May 2014. Any work stoppage experienced in connections with negotiations of collective bargaining agreements could adversely affect our financial condition and our ability to implement our strategic plan.

We face risks associated with operating electric and natural gas infrastructure - The operation of electric generating facilities involves many risks, including start-up risks, breakdown or failure of equipment, the dependence on a specific fuel source, including the supply and transportation of fuel, the risk of performance below expected or contracted levels of output

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or efficiency, operator error and compliance with mandatory reliability standards. The operation of our energy delivery infrastructure involves many risks including breakdown or failure of equipment and forest or prairie fires developing from vegetation around our power lines. In addition, the North American transmission grid is highly interconnected and, in extraordinary circumstances, disruptions at particular points within the grid could cause an extensive power outage in our delivery systems. Further, the transmission system in our utilities' service territories is constrained, limiting the ability to transmit electric energy within our service territories. The transmission constraints could result in an inability to deliver energy from generating facilities, particularly wind generating facilities, to the national grid, or to access lower cost sources of electric energy. We also have obligations to provide electrical service under regulatory requirements and contractual commitments. Failure to meet our service obligations could adversely impact our financial condition and results of operations.

The operation of our natural gas distribution activities also involves many risks, such as leaks, explosions and mechanical problems, which could cause substantial financial losses. These risks could result in loss of human life, particularly in highly populated areas, significant damage to property, environmental emissions, impairment of our operations and substantial losses to us. We are also responsible for compliance with new and changing mandatory reliability and safety standards. Failure to meet these standards could result in substantial fines. We also have obligations to provide service under regulatory requirements and contractual commitments. Failure to meet our service obligations could adversely impact our financial condition and results of operations.

Storms or other natural disasters may impact our operations in unpredictable ways - Storms and other natural disasters, including events such as floods, tornadoes, blizzards, ice storms, or droughts may adversely impact our ability to generate, purchase or distribute electric energy or obtain fuel sources. In addition, we could incur large costs to repair damage to our generating facilities and infrastructure, or costs related to environmental remediation, due to storms or natural disasters. The restoration costs may not be fully covered by insurance policies. Damage to assets could also require us to take impairments, such as occurred with our damaged Sixth Street Generating Station after a flood. Some costs may not be recovered in rates, or there could be significant delays in cost recovery. Storms and natural disasters may prevent our customers from being able to operate or may significantly slow growth or cause a decline in the economy within our service territories. The reduced demand for energy could cause lower sales and revenues, which may not be replaced or recovered in rates. Any of these items could adversely affect our financial condition and results of operations.

We may incur material post-closing adjustments related to past asset and business divestitures - We recently sold RMT, Inc. (RMT), a non-regulated subsidiary. Pursuant to the terms of that sale, we may face unfavorable post-closing adjustments that could be material. In addition, we might be required to make payments on liabilities that we retained pursuant to the terms of the sale. In addition, Alliant Energy continues to guarantee RMT's performance obligations related to certain of RMT's projects that were commenced prior to Alliant Energy's sale of RMT. Required material post-closing adjustments or payments on retained liabilities or guarantees with respect to RMT or other future asset or business divestitures, such as the proposed sales of our Minnesota electric and gas distribution assets, could have an adverse effect on our financial condition and results of operations.

We face risks related to non-regulated operations - We rely on our non-regulated operations for a portion of our earnings. If our non-regulated investments do not perform at expected levels, we could experience diminished earnings. In particular, Franklin County Wind LLC is a non-regulated subsidiary that operates a non-regulated 99 MW wind project in Franklin County, Iowa, referred to as the Franklin County wind project. The Franklin County wind project does not currently have a buyer of its electrical output and its electrical output is being sold into the general market at prevailing market prices. Failure to find a buyer for the output, or selling the output at disadvantageous market prices, may cause the project to lose money or cause an impairment of its assets. Such losses or impairments could adversely impact our financial condition and results of operations. In addition, a variety of operating parameters,

including adverse weather conditions and breakdown or failure of equipment, could result in a material adverse impact on our financial condition and results of operations.

We are subject to limitations on our ability to pay dividends - Alliant Energy is a holding company with no significant operations of its own. Accordingly, the primary sources of funds for Alliant Energy to pay dividends to its shareowners are dividends and distributions from its subsidiaries, primarily its utility subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts to us, whether by dividends, loans or other payments. The ability of our subsidiaries to pay dividends or make distributions to us and, accordingly, our ability to pay dividends on Alliant Energy common stock will depend on regulatory limitations and the earnings, cash flows, capital requirements and general financial condition of our subsidiaries. Our utilities each have dividend payment restrictions based on the terms of any outstanding preferred stock and regulatory limitations applicable to them. If we do not receive adequate dividends and distributions from

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our subsidiaries, then we may not be able to make, or may have to reduce, dividend payments on Alliant Energy common stock.

Changes to certain tax elections, tax regulations and future taxable income could negatively impact our financial condition and results of operations - We have significantly reduced our federal and state income tax obligations for the past few years through tax planning strategies. These tax planning strategies have generated large annual taxable losses and tax credits over the past few years that have resulted in significant federal and state net operating losses and federal tax credit carryforwards. We plan to utilize these net operating losses and tax credit carryforwards in the future to reduce our income tax obligations. If we cannot generate enough taxable income in the future to utilize all of the net operating losses and tax credit carryforwards before they expire, we may incur material charges to earnings. If the IRS does not agree with the deductions resulting from our tax planning strategies, our financial condition and results of operations may be adversely impacted.

Our utility business currently operates wind generating facilities, which generate material production tax credits for us to use to reduce our federal tax obligations. The amount of production tax credits we earn is dependent on the level of electricity output generated by our wind projects and the applicable tax credit rate. A variety of operating and economic parameters, including significant transmission constraints, adverse weather conditions and breakdown or failure of equipment, could significantly reduce the production tax credits generated by our wind projects resulting in a material adverse impact on our financial condition and results of operations.

In addition, we have tax benefit riders in place in Iowa that provide billing credits to our customers. We have made certain assumptions regarding the timing of the tax benefit riders for accounting purposes. If those assumptions are not accurate, our results of operations and financial condition may be adversely impacted.

Lastly, if corporate tax rates or policies are changed in future federal or state legislation, we may be required to take material charges against earnings.

Poor performance of pension and other postretirement plan investments could negatively impact our financial condition - We have pension and other postretirement benefits plans that provide benefits to a large portion of our employees and retirees. Costs of providing benefits and related funding requirements of these plans are subject to changes in the market value of the assets that fund the plans. The funded status of the plans and the related costs reflected in our financial statements are affected by various factors, which are subject to an inherent degree of uncertainty, including economic conditions, financial market performance, interest rates, life expectancies and demographics. Recessions and volatility in the domestic and international financial markets have negatively affected the asset values of our pension plans at various times in the past. Future losses of asset values may necessitate accelerated funding of the plans in the future to meet minimum federal government requirements. Downward pressure on the asset values of our pension plans may require us to fund obligations earlier than originally planned, which would have an adverse impact on our financial condition and results of operations.

Energy industry changes could have a negative effect on our businesses - We operate in a highly regulated business environment. The advent of new and unregulated markets has the potential to significantly impact our financial condition and results of operations. The evolution of the wholesale and transmission markets has the potential to significantly increase costs of transmission, costs associated with inefficient generation dispatching, costs of participation in the new markets and costs stemming from estimated payment settlements. Competitive pressures, including advances in technology that reduce the costs of alternative methods of producing electric energy to a level that is competitive with that of current electric production methods, could result in our utilities losing market share and customers and incurring stranded costs (i.e., assets and other costs rendered unrecoverable through customer rates as a result of competitive pricing), which would be borne by our shareowners. Increased competition from any

restructuring efforts in our primary retail electric service territories may have a significant adverse impact on our financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

IPL

Electric - At December 31, 2013, IPL's EGUs by primary fuel type were as follows:

Name of EGU	Location	In-service Dates	Primary Dispatch Type (a)	Nameplate Capacity in MW	Generating Capacity in MW (b)
Ottumwa Generating Station (Unit 1) (c)	Ottumwa, IA	1981	BL	348	309
Lansing Generating Station (Unit 4)	Lansing, IA	1977	BL	275	230
M.L. Kapp Generating Station (Unit 2) (d)	Clinton, IA	1967	BL	218	177
Burlington Generating Station (Unit 1)	Burlington, IA	1968	BL	212	177
George Neal Generating Station (Unit 4) (e)	Sioux City, IA	1979	BL	165	160
George Neal Generating Station (Unit 3) (f)	Sioux City, IA	1975	BL	154	136
Prairie Creek Generating Station (Units 1,3,4)	Cedar Rapids, IA	1958-1997	BL	213	126
Louisa Generating Station (Unit 1) (g)	Louisa, IA	1983	BL	32	29
Total Coal				1,617	1,344
Emery Generating Station (Units 1-3)	Mason City, IA	2004	IN	603	494
Fox Lake Generating Station (Units 1,3) (d)	Sherburn, MN	1950-1962	IN	93	82
Sutherland Generating Station (Units 1,3) (d)	Marshalltown, IA	1955-1961	IN	119	79
Dubuque Generating Station (Units 3-4) (d)	Dubuque, IA	1952-1959	IN	66	58
Burlington Combustion Turbines (Units 1-4) (d)	Burlington, IA	1994-1996	PK	79	58
Grinnell Combustion Turbines (Units 1-2) (d)	Grinnell, IA	1990-1991	PK	48	44
Red Cedar Combustion Turbine (Unit 1)	Cedar Rapids, IA	1996	PK	23	11
Total Gas				1,031	826
Marshalltown Combustion Turbines (Units 1-3)	Marshalltown, IA	1978	PK	189	143
Lime Creek Combustion Turbines (Units 1-2)	Mason City, IA	1991	PK	90	56
Centerville Combustion Turbines (Units 1-2) (d)	Centerville, IA	1990	PK	54	29
Diesel Stations (9 Units) (d)	Iowa and Minnesota	1963-1996	PK	16	11
Total Oil				349	239
Whispering Willow - East (121 Units) (h)	Franklin Co., IA	2009	IN	200	—
Total Wind				200	—
Total generating capacity				3,197	2,409

(a) BL are designed for nearly continuous operation at or near full capacity to provide the system base load. IN follow system load changes with frequent starts and curtailments of output during low demand. PK are generally low efficiency, quick response units that run primarily when there is high demand.

(b) Based on the generating capacity of the EGUs included in MISO's resource adequacy process for the planning period from June 2013 through May 2014.

(c) Represents IPL's 48% ownership interest in this 726 MW (nameplate capacity) / 644 MW (generating capacity) EGU, which is operated by IPL.

(d) Refer to "Strategic Overview" in MDA for discussion of EGUs that may be retired or changed from coal-fired to an alternative fuel source in the next few years.

(e) Represents IPL's 25.695% ownership interest in this 641 MW (nameplate capacity) / 623 MW (generating capacity) EGU, which is operated by MidAmerican.

(f) Represents IPL's 28% ownership interest in this 550 MW (nameplate capacity) / 486 MW (generating capacity) EGU, which is operated by MidAmerican.

(g) Represents IPL's 4% ownership interest in this 810 MW (nameplate capacity) / 725 MW (generating capacity) EGU, which is operated by MidAmerican.

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(h) Generating capacity represents 0% of the capacity of this wind project based upon the MISO resource adequacy process, which is determined separately for each wind site, during the planning period from June 2013 through May 2014. The 0% allocation resulted from the lack of firm transmission at this wind site during the planning period from June 2013 through May 2014.

At December 31, 2013, IPL owned approximately 19,696 miles of overhead electric distribution line and 2,843 miles of underground electric distribution cable, as well as 714 substation distribution transformers, substantially all of which are located in Iowa and Minnesota.

Gas - IPL's gas properties consist primarily of mains and services, meters, regulating and gate stations and other related distribution equipment. At December 31, 2013, IPL's gas distribution facilities included approximately 5,051 miles and 238 miles of gas mains located in Iowa and Minnesota, respectively.

Other - IPL's other property included in "Property, plant and equipment - Other" on its Consolidated Balance Sheets consists primarily of steam service assets, operating and storeroom facilities, vehicles, computer hardware and software, communication equipment and other miscellaneous tools and equipment.

WPL

Electric - At December 31, 2013, WPL's EGUs by primary fuel type were as follows:

Name of EGU	Location	In-service Dates	Primary Dispatch Type (a)	Nameplate Capacity in MW	Generating Capacity in MW (b)
Columbia Energy Center (Units 1-2) (c)	Portage, WI	1975-1978	BL	473	504
Edgewater Generating Station (Unit 5)	Sheboygan, WI	1985	BL	380	402
Edgewater Generating Station (Unit 4) (d) (e)	Sheboygan, WI	1969	BL	225	211
Nelson Dewey Generating Station (Units 1-2) (e)	Cassville, WI	1959-1962	BL	200	207
Edgewater Generating Station (Unit 3) (e)	Sheboygan, WI	1951	IN	60	54
Total Coal				1,338	1,378
Riverside Energy Center (Units 1-3) (f)	Beloit, WI	2004	IN	675	568
Neenah Energy Facility (Units 1-2)	Neenah, WI	2000	PK	371	279
South Fond du Lac Combustion Turbines (2 Units) (g)	Fond du Lac, WI	1994	PK	191	143
Rock River Combustion Turbines (Units 3-6) (h)	Beloit, WI	1967-1972	PK	169	85
Sheepskin Combustion Turbine (Unit 1)	Edgerton, WI	1971	PK	42	33
Total Gas				1,448	1,108
Bent Tree - Phase I (122 Units) (i)	Freeborn Co., MN	2010-2011	IN	201	—
Cedar Ridge (41 Units) (j)	Fond du Lac Co., WI	2008	IN	68	8
Total Wind				269	8
Prairie du Sac Hydro Plant (8 Units)	Prairie du Sac, WI	1914-1940	IN	31	14
Kilbourn Hydro Plant (4 Units)	Wisconsin Dells, WI	1926-1939	IN	10	6
Total Hydro				41	20

Total generating capacity	3,096	2,514

(a) BL are designed for nearly continuous operation at or near full capacity to provide the system base load. IN follow system load changes with frequent starts and curtailments of output during low demand. PK are generally low efficiency, quick response units that run primarily when there is high demand.

(b) Based on the generating capacity of the EGUs included in MISO's resource adequacy process for the planning period from June 2013 through May 2014.

(c) Represents WPL's 46.2% ownership interest in this 1,023 MW (nameplate capacity) / 1,091 MW (generating capacity) EGU, which is operated by WPL.

(d) Represents WPL's 68.2% ownership interest in this 330 MW (nameplate capacity) / 309 MW (generating capacity) EGU, which is operated by WPL.

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(e) Refer to "Strategic Overview" in MDA for discussion of EGUs that may be retired or changed from coal-fired to an alternative fuel source in the next few years.

(f) WPL was credited 568 MW of generating capacity for this EGU for the planning period from June 2013 through May 2014. WPL is utilizing 468 MW of the accredited generating capacity from Riverside to satisfy its PRM requirements and has sold 100 MW of the accredited capacity to a third party with a PPA through May 2014.

(g) Represents Units 2 and 3, which WPL owns. WPL also operates South Fond du Lac Combustion Turbines Units 1 and 4.

(h) Rock River Combustion Turbine Unit 6 was not operating during the testing period for MISO's resource adequacy process for the planning period from June 2013 through May 2014, resulting in no capacity being credited to the EGU for that planning period.

(i) Generating capacity represents 0% of the capacity of this wind project based upon the MISO resource adequacy process, which is determined separately for each wind site, during the planning period from June 2013 through May 2014. The 0% allocation resulted from the lack of firm transmission at this wind site during the planning period from June 2013 through May 2014.

(j) Generating capacity represents 12% of the capacity of this wind project based upon the MISO resource adequacy process, which is determined separately for each wind site, during the planning period from June 2013 through May 2014.

At December 31, 2013, WPL owned approximately 16,379 miles of overhead electric distribution line and 5,070 miles of underground electric distribution cable, as well as 303 substation distribution transformers, substantially all of which are located in Wisconsin. Refer to Note 10(b) of the "Combined Notes to Consolidated Financial Statements" for information regarding WPL's lease of Sheboygan Falls from Resources' Non-regulated Generation business.

Gas - WPL's gas properties consist primarily of mains and services, meters, regulating and gate stations and other related distribution equipment. At December 31, 2013, WPL's gas distribution facilities included approximately 4,131 miles of gas mains located in Wisconsin.

Other - WPL's other property included in "Property, plant and equipment - Other" on its Consolidated Balance Sheets consists primarily of operating and storeroom facilities, vehicles, computer hardware and software, communication equipment and other miscellaneous tools and equipment.

Resources - Resources' principal properties included in "Property, plant and equipment - Non-regulated and other" on Alliant Energy's Consolidated Balance Sheet at December 31, 2013 were as follows:

Non-regulated Generation - Includes Sheboygan Falls, a 347 MW, simple-cycle, natural gas-fired facility near Sheboygan Falls, Wisconsin that was placed in service in 2005 and is leased to WPL, and the 99 MW (60 Units) Franklin County wind project in Franklin County, Iowa that was placed in service in 2012. Sheboygan Falls was credited with 282 MW of generating capacity for MISO's resource adequacy process for the planning period from June 2013 through May 2014.

Transportation - Includes a short-line railway in Iowa with 114 railroad track miles, 13 active locomotives and 102 railcars; a barge terminal on the Mississippi River; and a coal terminal in Williams, Iowa.

Other non-regulated investments - Includes two corporate airplanes and real estate investments.

Corporate Services - Corporate Services' property included in "Property, plant and equipment - Non-regulated and other" on Alliant Energy's Consolidated Balance Sheet at December 31, 2013 consisted primarily of computer software and the corporate headquarters building located in Madison, Wisconsin.

ITEM 3. LEGAL PROCEEDINGS

Alliant Energy - None.

IPL - None.

WPL - None.

Other - Alliant Energy, IPL and WPL are involved in legal and administrative proceedings before various courts and agencies with respect to matters arising in the ordinary course of business. Although unable to predict the outcome of these matters, Alliant Energy, IPL and WPL believe that final disposition of these actions will not have a material effect on their financial condition or results of operations.

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ITEM 4. MINE SAFETY DISCLOSURES

None.

EXECUTIVE OFFICERS OF THE REGISTRANTS

None of the executive officers for Alliant Energy, IPL or WPL listed below are related to any member of the Board of Directors or nominee for director or any other executive officer. All of the executive officers have no definite terms of office and serve at the pleasure of the Board of Directors. The executive officers of Alliant Energy, IPL and WPL as of the date of this filing are as follows (numbers following the names represent the officer's age as of the date of this filing):

Executive Officers of Alliant Energy

Patricia L. Kampling, 54, has served as a director since January 2012, and as Chairman of the Board, President and CEO since April 2012. She previously served as President and Chief Operating Officer since February 2011, as EVP and CFO from September 2010 to February 2011, as EVP-CFO and Treasurer from January 2010 to September 2010, and as VP-CFO and Treasurer from January 2009 to January 2010.

Thomas L. Aller, 64, was elected Senior VP effective February 2014. He previously served as Senior VP-Operations Support since January 2013 and as Senior VP-Energy Resource Development from January 2009 to January 2013. Mr. Aller announced his intent to retire effective March 31, 2014.

James H. Gallegos, 53, was elected Senior VP and General Counsel effective February 2014. He previously served as VP and General Counsel since November 2010, and as VP and Corporate General Counsel of BNSF Railway Company, a subsidiary of Burlington Northern and Santa Fe Corporation, from April 2003 to April 2010.

Thomas L. Hanson, 60, was elected Senior VP and CFO effective January 2013. He previously served as VP and CFO since May 2011, as VP-CFO and Treasurer from February 2011 to May 2011, as VP-CAO and Treasurer from September 2010 to February 2011, and as VP-Controller and CAO from January 2007 to September 2010.

Douglas R. Kopp, 60, was elected Senior VP effective March 2014. He previously served as VP-Environmental Affairs since January 2013, as Director-Environmental Affairs from January 2011 to January 2013, as Plant Manager of the Prairie Creek Generating Station from September 2010 to January 2011, as Plant Manager of the Sutherland Generating Station from May 2009 to September 2010 and as Plant Manager of the Sixth Street Generating Station from July 2006 to May 2009.

John O. Larsen, 50, was elected Senior VP effective February 2014. He previously served as Senior VP-Generation since January 2010 and as VP-Generation from August 2008 to January 2010.

Robert J. Durian, 43, was elected Controller and CAO effective February 2011. He previously served as Controller since September 2010, as Assistant Controller from March 2009 to September 2010 and as Director of Financial Reporting from February 2006 to March 2009.

Executive Officers of IPL

Patricia L. Kampling, 54, has served as a director since January 2012, and as Chairman of the Board and CEO since April 2012.

Thomas L. Aller, 64, was elected President effective January 2004. Mr. Aller announced his intent to retire effective March 31, 2014.

Douglas R. Kopp, 60, was elected Senior VP effective March 2014 and President effective April 2014.

James H. Gallegos, 53, was elected Senior VP and General Counsel effective February 2014.

Thomas L. Hanson, 60, was elected Senior VP and CFO effective January 2013.

John O. Larsen, 50, was elected Senior VP effective February 2014.

Robert J. Durian, 43, was elected Controller and CAO effective February 2011.

Executive Officers of WPL

Patricia L. Kampling, 54, has served as a director since January 2012, and as Chairman of the Board and CEO since April 2012.
John O. Larsen, 50, was elected President effective December 2010.
Thomas L. Aller, 64, was elected Senior VP effective February 2014. Mr. Aller announced his intent to retire effective March 31, 2014.
James H. Gallegos, 53, was elected Senior VP and General Counsel effective February 2014.
Thomas L. Hanson, 60, was elected Senior VP and CFO effective January 2013.
Douglas R. Kopp, 60, was elected Senior VP effective March 2014.
Robert J. Durian, 43, was elected Controller and CAO effective February 2011.

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PART II

ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Stock Price - Alliant Energy's common stock trades on the NYSE under the symbol "LNT." Quarterly sales price ranges and dividends with respect to Alliant Energy's common stock were as follows:

	2013			2012		
Quarter	High	Low	Dividend	High	Low	Dividend
First	$50.23	$43.73	$0.47	$44.57	$41.86	$0.45
Second	53.52	46.79	0.47	46.00	42.00	0.45
Third	54.18	48.17	0.47	47.65	42.95	0.45
Fourth	53.69	48.83	0.47	45.66	42.21	0.45
Year	54.18	43.73	1.88	47.65	41.86	1.80

Stock closing price at December 31, 2013: $51.60

Shareowners - At December 31, 2013, there were 30,873 holders of record of Alliant Energy's common stock, including holders through Alliant Energy's Shareowner Direct Plan. Alliant Energy is the sole common shareowner of all 13,370,788 and 13,236,601 shares of IPL and WPL common stock, respectively, currently outstanding. As a result, there is no established public trading market for the common stock of either IPL or WPL.

Dividends - In November 2013, Alliant Energy announced an increase in its targeted 2014 annual common stock dividend to $2.04 per share, which is equivalent to a quarterly rate of $0.51 per share, beginning with the February 2014 dividend payment. The timing and amount of future dividends is subject to an approved dividend declaration from its Board of Directors, and is dependent upon earnings expectations, capital requirements, and general financial business conditions, among other factors.

Alliant Energy does not have any significant common stock dividend restrictions. Refer to Note 7 of the "Combined Notes to Consolidated Financial Statements" for information about IPL's and WPL's dividend restrictions and limitations on distributions to their parent company.

Common Stock Repurchases - A summary of Alliant Energy common stock repurchases for the quarter ended December 31, 2013 was as follows:

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan (a)
October 1 to October 31	2,966	$50.67	—	N/A
November 1 to November 30	2,032	53.57	—	N/A
December 1 to December 31	56	52.16	—	N/A
	5,054	51.85	—	

(a) All shares were purchased on the open market and held in a rabbi trust under the DCP. There is no limit on the number of shares of Alliant Energy common stock that may be held under the DCP, which currently does not have an expiration date.

Other - Refer to "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in Item 12 for details of securities authorized for issuance under equity compensation plans.

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ITEM 6. SELECTED FINANCIAL DATA

Financial Information Alliant Energy	2013 (a)	2012 (a)	2011 (a)	2010	2009 (b)
	(dollars in millions, except per share data)				
Income Statement Data:					
Operating revenues	$3,276.8	$3,094.5	$3,221.4	$3,262.1	$3,133.2
Income from continuing operations, net of tax	382.1	340.8	341.4	310.2	130.3
Loss from discontinued operations, net of tax	(5.9)	(5.1)	(19.5)	(3.9)	(0.6)
Net income	376.2	335.7	321.9	306.3	129.7
Amounts attributable to Alliant Energy common shareowners:					
Income from continuing operations, net of tax	364.2	324.9	323.1	291.5	111.6
Loss from discontinued operations, net of tax	(5.9)	(5.1)	(19.5)	(3.9)	(0.6)
Net income	358.3	319.8	303.6	287.6	111.0
Common Stock Data:					
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):					
Income from continuing operations, net of tax	$3.29	$2.93	$2.92	$2.64	$1.01
Loss from discontinued operations, net of tax	($0.06)	($0.04)	($0.18)	($0.04)	$—
Net income	$3.23	$2.89	$2.74	$2.60	$1.01
Common shares outstanding at year-end (000s)	110,944	110,987	111,019	110,894	110,656
Dividends declared per common share	$1.88	$1.80	$1.70	$1.58	$1.50
Market value per share at year-end	$51.60	$43.91	$44.11	$36.77	$30.26
Book value per share at year-end	$29.58	$28.25	$27.14	$26.09	$25.06
Market capitalization at year-end	$5,724.7	$4,873.4	$4,897.0	$4,077.6	$3,348.5
Other Selected Financial Data:					
Cash flows from operating activities	$731.0	$841.1	$702.7	$984.9	$657.1
Construction and acquisition expenditures	$798.3	$1,158.1	$673.4	$866.9	$1,202.6
Total assets at year-end	$11,112.4	$10,785.5	$9,687.9	$9,282.9	$9,036.0
Long-term obligations, net	$3,338.1	$3,141.5	$2,708.0	$2,710.3	$2,512.2
Times interest earned before income taxes (c)	3.52X	3.75X	3.59X	3.81X	1.80X
Capitalization ratios:					
Common equity	46%	47%	50%	49%	49%
Preferred stock of subsidiaries	3%	3%	3%	4%	4%
Long- and short-term debt	51%	50%	47%	47%	47%
Total	100%	100%	100%	100%	100%

(a) Refer to "Alliant Energy's Results of Operations" in MDA for discussion of the 2013, 2012 and 2011 results of operations.

(b) In 2009, Alliant Energy incurred $203 million of pre-tax losses related to the repurchase of its 2.5% Exchangeable Senior Notes due 2030.

(c) Represents the sum of income from continuing operations before income taxes plus interest expense, divided by interest expense. The calculation does not consider the "Loss on early extinguishment of debt" that Alliant Energy has incurred as part of interest expense.

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IPL	2013 (a)	2012 (a)	2011 (a)	2010	2009
	(in millions)				
Operating revenues	$1,818.8	$1,650.3	$1,740.1	$1,795.8	$1,708.0
Net income	189.9	150.2	139.3	143.4	153.0
Earnings available for common stock	173.6	137.6	124.3	128.0	137.6
Cash dividends declared on common stock	128.1	122.9	73.4	—	—
Cash flows from operating activities	232.6	291.0	366.9	549.6	373.2
Total assets	5,806.0	5,457.0	5,093.5	4,937.6	4,892.2
Long-term obligations, net	1,559.2	1,361.7	1,311.0	1,310.6	1,160.9

(a) Refer to "IPL's Results of Operations" in MDA for a discussion of the 2013, 2012 and 2011 results of operations.

Alliant Energy is the sole common shareowner of all 13,370,788 shares of IPL's common stock outstanding. As such, earnings per share data is not disclosed herein.

WPL	2013 (a)	2012 (a)	2011 (a)	2010	2009
	(in millions)				
Operating revenues	$1,406.3	$1,392.0	$1,434.4	$1,423.6	$1,386.1
Net income	177.5	165.7	163.5	152.3	89.5
Earnings available for common stock	175.9	162.4	160.2	149.0	86.2
Cash dividends declared on common stock	116.3	112.0	112.1	109.5	91.0
Cash flows from operating activities	423.3	427.4	428.8	372.4	305.8
Total assets	4,804.4	4,762.6	4,044.0	3,889.6	3,681.4
Long-term obligations, net	1,432.2	1,436.1	1,190.7	1,193.7	1,146.3

(a) Refer to "WPL's Results of Operations" in MDA for a discussion of the 2013, 2012 and 2011 results of operations.

Alliant Energy is the sole common shareowner of all 13,236,601 shares of WPL's common stock outstanding. As such, earnings per share data is not disclosed herein.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This MDA includes information relating to Alliant Energy, IPL and WPL, as well as Resources and Corporate Services. Where appropriate, information relating to a specific entity has been segregated and labeled as such. The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Combined Notes to Consolidated Financial Statements included in this report. Unless otherwise noted, all "per share" references in MDA refer to earnings per diluted share.

CONTENTS OF MDA

Alliant Energy's, IPL's and WPL's MDA consists of the following information:

- Alliant Energy's Results of Operations
- IPL's Results of Operations
- WPL's Results of Operations
- Liquidity and Capital Resources
- Other Matters
- Market Risk Sensitive Instruments and Positions
- Critical Accounting Policies and Estimates
- Other Future Considerations

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EXECUTIVE SUMMARY

Description of Business

General - Alliant Energy is an investor-owned public utility holding company whose primary subsidiaries are IPL, WPL, Resources and Corporate Services. IPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas in selective markets in Iowa and southern Minnesota. WPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas in selective markets in southern and central Wisconsin. At December 31, 2013, WPL, through its ownership interest in WPL Transco, held an approximate 16% interest in ATC, a transmission-only utility operating in the Midwest. Resources is the parent company for Alliant Energy's non-regulated businesses. Corporate Services provides administrative services to Alliant Energy and its subsidiaries. An illustration of Alliant Energy's primary businesses as of December 31, 2013 is shown below.

Alliant Energy

Utility and Corporate Services
- Electric and gas services in IA (IPL)
- Electric and gas services in WI (WPL)
- 16% interest in ATC (WPL)
- Electric and gas services in MN (IPL) (a)
- Corporate Services

Non-regulated and Parent
- Transportation (Resources)
- Non-regulated Generation (Resources)
- Parent Company

(a) In September 2013, IPL signed definitive agreements to sell its Minnesota electric and natural gas distribution assets. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for further discussion of these proposed sales.

Utility and Corporate Services - IPL and WPL own a portfolio of EGUs located in Iowa, Wisconsin and Minnesota with a diversified fuel mix including coal, natural gas and renewable resources. The output from these EGUs, supplemented with purchased power, is used to provide electric service to approximately 1 million electric customers in the upper Midwest. The utility business also procures natural gas from various suppliers to provide service to approximately 418,000 retail gas customers in the upper Midwest. Alliant Energy's utility business is its primary source of earnings and cash flows. The earnings and cash flows from the utility and Corporate Services business are sensitive to various external factors including, but not limited to, the amount and timing of rates approved by regulatory authorities, the impact of weather and economic conditions on electric and gas sales volumes and other factors listed in "Risk Factors" in Item 1A and "Forward-looking Statements."

Non-regulated Business and Parent - Resources manages various businesses including Non-regulated Generation (EGU management), Transportation (short-line railway and barge transportation services) and several other modest investments. Parent includes the operations of Alliant Energy (parent holding company).

Financial Results - Details regarding Alliant Energy's net income and EPS attributable to Alliant Energy common shareowners for 2013 and 2012 were as follows (dollars in millions, except per share amount):

	2013		2012	
	Net Income	EPS	Net Income	EPS
Continuing operations:				
Utilities and Corporate Services	$356.5	$3.22	$304.8	$2.75
Non-regulated and parent	7.7	0.07	20.1	0.18
Income from continuing operations	364.2	3.29	324.9	2.93

Loss from discontinued operations	(5.9)	(0.06)	(5.1)	(0.04)
Net income	$358.3	$3.23	$319.8	$2.89

The table above includes utilities and Corporate Services, and non-regulated and parent EPS from continuing operations, which are non-GAAP financial measures. Alliant Energy believes utilities and Corporate Services, and non-regulated and parent EPS from continuing operations are useful to investors because they facilitate an understanding of segment performance and trends and provide additional information about Alliant Energy's operations on a basis consistent with the

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measures that management uses to manage its operations and evaluate its performance. Alliant Energy's management also uses utilities and Corporate Services EPS from continuing operations to determine performance-based compensation.

Utilities and Corporate Services - Higher EPS from continuing operations in 2013 compared to 2012 was primarily due to:

- $0.32 per share of purchased electric capacity expense related to the Riverside PPA recorded in 2012;
- $0.14 per share related to the impact of state income tax charges in 2012 due to changes in state apportionment projections caused by Alliant Energy's announced sale of the RMT business;
- $0.13 per share from the revenue requirement adjustment related to certain IPL tax benefits in 2013;
- an estimated $0.13 per share of higher weather-normalized retail electric and gas sales in 2013 compared to 2012;
- $0.11 per share of lower energy conservation cost recovery amortizations at WPL in 2013 compared to 2012;
- $0.06 per share of lower income tax expense at IPL in 2013 compared to 2012 due to Iowa rate-making practices; and
- an estimated $0.05 per share of net increases in revenues from higher electric and gas sales in 2013 compared to 2012 due to weather conditions.

These items were partially offset by:

- $0.17 per share of higher depreciation expense in 2013 compared to 2012, primarily due to WPL's acquisition of Riverside in December 2012;
- $0.09 per share of higher generation operation and maintenances expenses in 2013 compared to 2012;
- $0.08 per share of higher electric transmission service expenses, net of recoveries, in 2013 compared to 2012;
- $0.06 per share of higher performance-based compensation expense in 2013 compared to 2012;
- $0.06 per share of charges related to preferred stock redemptions at IPL and WPL in 2013; and
- $0.05 per share of higher distribution system operation and maintenance expenses in 2013 compared to 2012.

Non-regulated and parent - Lower EPS from continuing operations in 2013 compared to 2012 was primarily due to $0.04 per share of losses incurred at the Franklin County wind project in 2013.

Refer to "Alliant Energy's Results of Operations," "IPL's Results of Operations" and "WPL's Results of Operations" for additional details regarding the various factors impacting their respective earnings during 2013, 2012 and 2011.

Strategic Overview Highlights

Alliant Energy's, IPL's and WPL's strategic plan focuses on their core business of delivering regulated electric and natural gas service in Iowa and Wisconsin. The strategic plan is built upon three key elements: competitive costs, safe and reliable service, and balanced generation. Key strategic plan developments impacting Alliant Energy, IPL and WPL include the following. Refer to "Strategic Overview" for a more detailed discussion of strategic plan developments.

- January 2013 - The IUB issued an order allowing IPL to proceed with a PPA for the purchase of capacity and energy generated by DAEC for a term of February 22, 2014 through December 31, 2025.
- February 2013 - The IUB approved IPL's most recent EPB, which includes emission controls projects for Ottumwa Unit 1 and Lansing Unit 4.
- April 2013 - WPL announced that its current environmental compliance plans include installing an SCR at Columbia Unit 2 to reduce NOx emissions. The SCR is expected to support compliance obligations for current and anticipated air quality regulatory requirements, including CAIR or some alternative to this rule that may be implemented. WPL currently expects to file a CA application with the PSCW in the second quarter of 2014 for the SCR at Columbia Unit 2.
- June 2013 - WPL received an order from the PSCW approving WPL's CA application to install a scrubber and baghouse at Edgewater Unit 5 to reduce SO2 and mercury emissions. WPL currently expects to begin construction of

the project in 2014 and place it in service in 2016.

- July 2013 - FERC issued an order requiring MISO, on behalf of ITC, to revise ITC's Attachment "FF" tariff, which determines how much of the transmission network upgrade costs incurred to interconnect an EGU to ITC's transmission system will be incurred by the owner of such EGU. The revisions to ITC's Attachment "FF" tariff required by the FERC order result in the owners of the EGUs being responsible for a substantially higher portion of the transmission network upgrade costs required to meet MISO interconnection requirements. IPL and WPL currently anticipate that ITC will pursue an option separate from ITC's revised Attachment "FF" tariff to self-fund the transmission network upgrades associated with Marshalltown and Bent Tree, respectively. As a result, ITC would incur the capital expenditures to construct the transmission network upgrades and include a direct charge for such transmission network upgrade costs as part of its electric transmission service costs billed to IPL and WPL as the owners of Marshalltown and Bent Tree, respectively.
- September 2013 - IPL signed separate definitive agreements to sell its Minnesota electric and natural gas distribution assets. Proceeds from the sales are expected to be approximately $128 million in aggregate, subject to customary closing adjustments. The proceeds are expected to reduce Alliant Energy's and IPL's future financing requirements. Pending all

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necessary federal and state regulatory approvals, including the MPUC, FERC and the IUB, the transactions are expected to be concluded in the second half of 2014. The electric distribution asset sales agreement includes a wholesale power supply agreement, which is subject to FERC approval. The agreement contains a five-year termination notice, which may not be given until the fifth anniversary of the effective date of the agreement, resulting in a minimum term of 10 years. This wholesale power supply agreement includes standardized pricing mechanisms that are detailed in IPL's current tariffs accepted by FERC through wholesale rate case proceedings.

- November 2013 - Alliant Energy announced WPL currently expects to begin incurring capital expenditures in 2016 for a potential generation investment to address its future customer energy and capacity needs. Options under consideration include conversion of an existing natural gas-fired facility from simple-cycle to combined-cycle, or the construction of a new resource. WPL plans to complete a feasibility study of resource options and file the necessary regulatory applications for approval of the selected resource option with the PSCW by the end of 2014.
- November 2013 - The IUB issued an order approving a siting certificate and establishing rate-making principles for Marshalltown. The rate-making principles include a cost cap of $920 million (including costs to construct Marshalltown, a pipeline to supply natural gas to Marshalltown and transmission network upgrades to transmit electricity from Marshalltown, as well as AFUDC), an 11% return on common equity for the 35-year depreciable life and a 10.3% return on common equity for the calculation of AFUDC. Any costs incurred in excess of the cost cap are expected to be incorporated into rates if determined to be reasonable and prudent. The IUB's approval is contingent upon the receipt of various state and federal permitting approvals. Pending all remaining regulatory approvals, IPL currently expects to begin construction of Marshalltown in 2014 and place it in service in 2017.
- November 2013 - WPL received approval from MISO to retire Nelson Dewey Units 1 and 2. MISO has also approved WPL's retirement of Edgewater Unit 3. Both approvals are contingent on completion of necessary transmission network upgrades.
- December 2013 - IPL received an order from the IUB approving IPL's EEP for 2014 through 2018. The EEP includes IPL spending approximately $400 million for electric and natural gas energy efficiency programs in Iowa from 2014 through 2018, and is expected to conserve electric and natural gas usage equal to that of more than 100,000 homes.
- January 2014 - WPL received an order from the PSCW approving a request for generation performance and reliability improvements at Columbia Units 1 and 2. WPL expects to begin construction in the first half of 2015 and place the projects in service by the end of 2017.

Rate Matters Highlights

Alliant Energy's utility subsidiaries, IPL and WPL, are subject to federal regulation by FERC, which has jurisdiction over wholesale electric rates, and state regulation in Iowa, Wisconsin and Minnesota for retail utility rates. Key regulatory developments impacting Alliant Energy, IPL and WPL include the following. Refer to "Rate Matters" for a more detailed discussion of regulatory developments.

- January 2013 - The IUB authorized IPL to recover the Iowa retail portion of the costs of its DAEC PPA from Iowa retail electric customers through the energy adjustment clause beginning February 22, 2014. The IUB encouraged IPL to continue discussions with parties to the DAEC PPA proceeding to resolve concerns expressed by such parties during the proceeding regarding rate impacts beginning in 2014. IPL is preparing to file an Iowa retail electric base rate case without interim rates in late March 2014 in case such discussions do not result in a resolution of the issues. Based on the terms of the January 2013 order, if the IUB would order a rate decrease from such a rate case, IPL has agreed to subject its Iowa retail electric base rates to potential refund beginning February 22, 2014. IPL currently anticipates a decision from the IUB on this matter by the end of 2014, either through an approved rate case or an approved settlement.
- February 2013 - IPL received an order from the IUB approving the 2013 electric tax benefit rider tariff and a $24 million revenue requirement adjustment recognized during 2013.
- November 2013 - Alliant Energy announced WPL currently expects to make a retail rate filing in late March 2014 based on a forward-looking test period that may include calendar years 2015 and 2016. The form and magnitude of such filing is currently being analyzed and could range from a future test year 2015 electric fuel plan to a full rate case

for the 2015 and 2016 test period. Any rate changes granted are expected to be effective in early 2015.

- December 2013 - IPL received an order from the IUB approving the 2014 electric tax benefit rider tariff and a $15 million revenue requirement adjustment to be recognized during 2014.
- December 2013 - IPL received an order from the MPUC approving full cost recovery of the Minnesota retail portion of IPL's Whispering Willow - East wind project construction costs of approximately $30 million, effective January 1, 2013.
- 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 electric 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.

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- January 2014 - IPL received an order from the IUB approving IPL's transmission cost rider rates effective February 1, 2014.

Environmental Matters Highlights

Alliant Energy, IPL and WPL are subject to regulation of environmental matters by various federal, state and local authorities. Key environmental developments that may impact Alliant Energy, IPL and WPL include the following. Refer to "Environmental Matters" for a more detailed discussion of environmental developments.

- April 2013 - WPL, along with the other owners of Edgewater and Columbia, entered into a Consent Decree with the EPA and the Sierra Club to resolve certain alleged air permitting violations, while admitting no liability. The Consent Decree was approved by the Court in June 2013 thereby resolving the related claims and requiring the installation of certain emission controls systems.
- June 2013 - The EPA issued proposed effluent limitation guidelines, which would require changes to discharge limits for wastewater from steam generating facilities. Compliance with these proposed guidelines would be required after July 1, 2017 but before July 1, 2022, depending on each facility's wastewater permit cycle for existing steam generating facilities and immediately upon operation for new steam generating facilities constructed after the issuance of the final guidelines.
- June 2013 - President Obama announced plans to address climate change and issued a memorandum directing the EPA to proceed with rules to reduce CO2 emissions from new and existing fossil-fueled EGUs. In January 2014, the EPA published revised proposed NSPS for GHG emissions for new fossil-fueled EGUs. A date for finalizing these standards has not yet been established. The EPA is expected to issue proposed and final NSPS for GHG emissions for existing EGUs by June 1, 2014 and June 1, 2015, respectively, which would provide guidelines that states must follow to achieve required GHG emissions reductions. SIPs that provide details of how these guidelines are to be met would be required from state agencies by June 30, 2016.
- June 2013 - The U.S. Supreme Court issued an order granting an EPA petition for review of a D.C. Circuit Court decision to vacate and remand CSAPR for further EPA review. The U.S. Supreme Court ruling on the CSAPR vacatur is expected in 2014, and during the interim, CAIR remains effective.

Legislative Matters Highlights

Alliant Energy, IPL and WPL monitor various legislative developments, including those relating to energy, tax, financial and other matters. Key legislative developments impacting Alliant Energy, IPL and WPL include the following. Refer to "Legislative Matters" for a more detailed discussion of legislative developments.

- January 2013 - The ATR Act was enacted. The most significant provision of the ATR Act for Alliant Energy, IPL and WPL relates to the extension of bonus depreciation deductions for certain expenditures for property that are incurred through December 31, 2013.

Liquidity and Capital Resources Highlights

Based on their current liquidity positions and capital structures, Alliant Energy, IPL and WPL believe they will be able to secure the additional capital required to implement their strategic plan and to meet their long-term contractual obligations. Key financing developments impacting Alliant Energy, IPL and WPL include the following. Refer to "Liquidity and Capital Resources" for a more detailed discussion of financing developments.

- March 2013 - IPL issued 8,000,000 shares of 5.1% cumulative preferred stock and received proceeds of $200 million. The proceeds were used by IPL to redeem all 6,000,000 outstanding shares of its 8.375% cumulative preferred stock for $150 million, reduce commercial paper classified as long-term debt by $40 million and for other general corporate purposes.
- March 2013 - WPL redeemed all 1,049,225 outstanding shares of its 4.40% through 6.50% cumulative preferred stock for $61 million.
- August 2013 - WPL received approval from the PSCW to issue up to $400 million of long-term debt securities through 2014.

- October 2013 - IPL issued $250 million of 4.7% senior debentures due 2043. The proceeds from the issuance were used by IPL to reduce cash proceeds received from its sales of accounts receivable program, reduce commercial paper classified as long-term debt by $65 million and for general working capital purposes.
- November 2013 - Alliant Energy announced an increase in its targeted 2014 annual common stock dividend to $2.04 per share, which is equivalent to a quarterly rate of $0.51 per share, beginning with the February 2014 dividend payment.
- November 2013 - IPL received authority from FERC to issue through December 31, 2015 up to $750 million of long-term debt securities in aggregate, up to $750 million of short-term debt securities at any time and up to $300 million of preferred stock in aggregate.
- November 2013 - Alliant Energy, IPL and WPL announced their future financing plans, which include issuing up to $600 million, $300 million and $300 million, respectively, of additional long-term debt in 2014. Alliant Energy currently

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expects to issue approximately $150 million of common stock through 2016. Alliant Energy currently does not plan to issue any material amount of common stock in 2014.

- December 2013 - At December 31, 2013, Alliant Energy and its subsidiaries had $721 million of available capacity under their revolving credit facilities, $121 million of available capacity at IPL under its sales of accounts receivable program and $10 million of cash and cash equivalents.
- January 2014 - Moody's Investors Service raised Alliant Energy's and WPL's credit ratings.

Other Matters Highlights

Other key developments that could impact Alliant Energy's, IPL's or WPL's future financial condition or results of operations include the following. Refer to "Other Matters" for a more detailed discussion of potential impacts to future financial condition and results of operations.

- April 2013 - IPL and MidAmerican filed a joint Notice of Appeal, and the IUB and the Iowa Association of Electric Cooperatives filed Notices of Appeal, with the Iowa Supreme Court related to a ruling by the Polk County, Iowa District Court in March 2013. This ruling found Eagle Point is not a public utility and could sell directly to the City of Dubuque the power generated by a 175 kilowatt solar unit installed on the City's property. The District Court decision is currently stayed. Alliant Energy and IPL are unable to determine how this District Court ruling may impact the level of third-party solar development in IPL's service territory and resulting impact on future demand of electricity by IPL's customers.
- July 2013 - FERC issued an order requiring MISO, on behalf of ITC, to revise ITC's Attachment "FF" tariff to conform to the MISO Attachment "FF" tariff. In August 2013, MISO submitted a filing with the proposed tariff revisions, which became effective as of the date of the July 2013 order. Also in August 2013, ITC filed a request for rehearing and/or clarification, and IPL filed a request for clarification. In February 2014, FERC issued an order that denied ITC's request for rehearing, responded to the requests for clarification, accepted MISO's tariff revisions and substantially affirmed its July 2013 order. The tariff revisions ordered by FERC are expected to reduce the amount of transmission network upgrade costs billed by ITC to IPL compared to what would have been billed under ITC's prior Attachment "FF" tariff. Alliant Energy and IPL currently expect to pass on the Iowa retail portion of any changes in electric transmission service costs billed by ITC to IPL from the revision in ITC's Attachment "FF" tariff to IPL's retail electric customers in Iowa through the transmission cost recovery rider.
- September 2013 - ITC finalized its Attachment "O" rate it proposes to charge its customers in 2014 for electric transmission services. The increase in ITC's Attachment "O" rate, as well as MISO transmission charges for shared transmission projects, are expected to contribute to increases in future electric transmission service charges for IPL and WPL. Alliant Energy, IPL and WPL currently estimate their electric transmission service expenses in 2014 will be higher than the comparable expenses charged in 2013 by approximately $30 million, $20 million and $10 million, respectively. A significant portion of the increase in IPL's electric transmission service expenses is expected to be offset with increases in electric revenues resulting from the transmission cost recovery rider. A significant portion of the increase in WPL's electric transmission service expenses was utilized to set electric revenues approved by the PSCW in WPL's latest retail electric base rate case.
- November 2013 - A group of MISO industrial customer organizations filed a complaint with FERC requesting to: (1) reduce the base return on equity used by MISO transmission owners, including ITC and ATC, to 9.15%; (2) institute a regulatory capital structure not to exceed 50% of common equity; and (3) eliminate certain return on equity adders. ITC's and ATC's current authorized return on equity is 12.38% and 12.2%, respectively. ITC's and ATC's current authorized regulatory capital structure for common equity is 60% and 50%, respectively. Any change to ITC's and ATC's return on equity and regulatory capital structure for common equity would impact the calculation of their respective Attachment "O" rates, resulting in changes to electric transmission service costs billed by ITC and ATC to their customers. Any changes in IPL's electric transmission service costs billed by ITC to IPL are expected to be passed on to IPL's Iowa retail electric customers through the transmission cost recovery rider. Any changes in WPL's electric transmission service costs will be incorporated into WPL's retail electric rates in a future retail electric base rate proceeding with the PSCW. In addition, any change to ATC's return on equity and regulatory capital structure for

common equity could result in Alliant Energy and WPL realizing lower equity income and dividends from ATC in the future.

STRATEGIC OVERVIEW

Strategic Plan - Alliant Energy's, IPL's and WPL's strategic plan focuses on their core business of delivering regulated electric and natural gas service in their Iowa and Wisconsin service territories. The strategic plan is built upon three key elements: competitive costs, safe and reliable service, and balanced generation.

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Competitive Costs - Providing competitive and predictable energy costs for customers is a key element of the strategic plan. Alliant Energy, IPL and WPL are aware that the majority of their costs become part of rates charged to their customers and any rate increase has an impact on their customers. Given that potential public policy changes and resulting increases in future energy costs are possible, Alliant Energy, IPL and WPL are focused on controlling their costs with the intent of providing competitive rates to their customers. Alliant Energy and IPL also have electric and gas tax benefit riders, which utilize tax benefits from income tax strategies to provide credits on Iowa retail customers' bills to help offset impacts of rate increases. Refer to Note 11 of the "Combined Notes to Consolidated Financial Statements" and "Rate Matters" for further discussion of the tax benefit riders. Energy efficiency is also an important part of the strategic plan and is an option that provides customers with the opportunity to save on their energy bills. Alliant Energy's, IPL's and WPL's approach to energy efficiency is based on regulations in Iowa and Wisconsin. The objective in each of these states is to meet prescribed goals in the most cost-effective manner. Refer to "Energy Efficiency Programs" below for further discussion of energy efficiency programs used by Alliant Energy, IPL and WPL.

Safe and Reliable Service - The strategic plan is intended to focus resources on providing safe and reliable electricity and natural gas service. Investments are expected to be targeted in system improvements, replacing aging infrastructure and distribution grid efficiency to maintain strong reliability. Alliant Energy, IPL and WPL monitor system performance and take the necessary steps to continually improve the safety and reliability of their service for their customers. Providing exceptional customer service, including emergency and outage response, is part of Alliant Energy's, IPL's and WPL's mission and commitment to the customers they serve.

Balanced Generation - One of the key components of Alliant Energy's, IPL's and WPL's strategic plan is focused on a balanced and flexible portfolio of energy resources that will meet their utility customers' short- and long-term energy needs. Alliant Energy, IPL and WPL believe a diversified fuel mix for their EGUs is important to meeting the needs of their customers, shareowners and the environment while preparing for a potentially carbon-constrained environment in the future. The current strategic plan includes the following diversified portfolio of energy resources:

- Natural gas - purchasing, constructing and/or converting to natural gas-fired EGUs;
- Coal - implementing emission controls and performance and reliability improvements at their newer, larger and more efficient coal-fired EGUs, and fuel switching at, and retirement of, certain older, smaller and less efficient coal-fired EGUs;
- PPAs - purchasing electricity to meet a portion of customer demand for electricity, including a nuclear generation PPA related to DAEC for a term of February 22, 2014 through December 31, 2025; and
- Renewable - evaluating potential future development of existing wind sites.

Installing emission controls at the more efficient coal-fired EGUs and increasing levels of energy produced by Alliant Energy's, IPL's and WPL's wind projects and other renewable energy resources results in significant environmental benefits.

Additional details of changes to Alliant Energy's, IPL's and WPL's generation portfolio, as well as discussion of investments in emission controls and performance and reliability upgrades, are included in "Generation Plans" and "Environmental Compliance Plans" below.

Non-regulated Operations - The strategic plan for Alliant Energy's non-regulated operations involves maintaining a modest portfolio of businesses that are accretive to earnings but not significant users of capital.

Generation Plans - Alliant Energy, IPL and WPL review and update, as deemed necessary and in accordance with regulatory requirements, their generation plans. Alliant Energy, IPL and WPL are currently evaluating the types of capacity and energy additions they will pursue to meet their customers' long-term energy needs and are monitoring several related external factors that could influence those evaluations. Some of these external factors include

regulatory policies and decisions, changes in long-term projections of customer demand, availability and cost effectiveness of different generation technologies, forward market prices for fossil fuels, market conditions for obtaining financing, developments related to federal and state RPS, environmental requirements, such as any future requirements relating to GHG emissions or renewable energy sources, and federal and state tax incentives.

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Natural Gas-Fired Generation -
IPL's Construction of Marshalltown - In November 2013, the IUB issued an order approving a siting certificate and establishing rate-making principles for IPL's construction of an approximate 600 MW natural gas-fired combined-cycle EGU in Marshalltown, Iowa, referred to as Marshalltown. In November 2013, IPL accepted the IUB's rate-making principles, which include the following:

- A cost cap of $920 million, including costs to construct Marshalltown, a pipeline to supply natural gas to Marshalltown and transmission network upgrades to transmit electricity from Marshalltown as well as AFUDC. Any costs incurred in excess of the cost cap are expected to be incorporated into rates if determined to be reasonable and prudent.
- An 11% return on common equity for the 35-year depreciable life of Marshalltown and a 10.3% return on common equity for the calculation of AFUDC related to the construction of Marshalltown.
- The application of double leverage is deferred until IPL's next retail electric base rate case or other proceeding.

The IUB's approval is contingent upon the receipt of various state and federal permitting approvals necessary to construct and operate the EGU. In December 2013, the IUB approved the construction of a pipeline for the transportation of natural gas to Marshalltown. Pending all remaining regulatory approvals, IPL currently expects to begin construction of Marshalltown in 2014 and place it in service in 2017. Refer to "Transmission Network Upgrades" below for discussion of transmission network upgrade costs associated with Marshalltown.

WPL's Potential Generation Investment - In 2013, WPL initiated a feasibility study of resource options to address its future customer energy and capacity needs as part of its long-term resource planning. Based on its long-term resource plans that include the retirements of Edgewater Unit 3 and Nelson Dewey Units 1 and 2 by the end of 2015, and the retirement or fuel switching to natural gas of Edgewater Unit 4 by the end of 2018, WPL is currently planning for a new generation investment to address its customer energy and capacity needs in 2019 and beyond. WPL currently expects to begin incurring capital expenditures in 2016 for the potential generation investment. Options under consideration include conversion of an existing natural gas-fired facility from simple-cycle to combined-cycle, or the construction of a new resource. WPL plans to complete the feasibility study of resource options and file the necessary regulatory applications for approval of the selected resource option with the PSCW by the end of 2014. Refer to "Liquidity and Capital Resources" for details regarding estimated capital expenditures associated with this potential generation investment.

Coal-Fired Generation -
Emission Controls Projects - Alliant Energy's, IPL's and WPL's strategic plan includes new emission controls at IPL's and WPL's newer, larger and more efficient coal-fired EGUs to continue producing affordable energy for customers and to benefit the environment. Refer to "Environmental Compliance Plans" below for details regarding these emission controls projects including the capital expenditures in 2014 through 2017 currently anticipated for these projects.

Generation Improvement Projects - Alliant Energy's, IPL's and WPL's strategic plan includes investments in performance and reliability improvements at their newer, larger and more efficient coal-fired EGUs including IPL's Lansing Unit 4 and Ottumwa Unit 1, and WPL's Edgewater Unit 5, and Columbia Units 1 and 2. Refer to "Liquidity and Capital Resources" for details regarding estimated capital expenditures in 2014 through 2017 for these generation performance and reliability improvement projects.

Columbia Units 1 and 2 - In January 2014, WPL received an order from the PSCW approving a request for generation performance and reliability improvements at Columbia Units 1 and 2. WPL's portion of the capital expenditures for the projects, excluding AFUDC, is currently estimated to be between $55 million and $65 million. WPL expects to begin construction in the first half of 2015 and place the projects in service by the end of 2017.

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Plant Retirements or Fuel Switching - Alliant Energy's, IPL's and WPL's current strategic plan includes the retirement of, and fuel switching at, several older, smaller and less efficient EGUs. The following table provides a list of the EGUs retired in 2013 as well as EGUs that may be retired or changed from coal-fired to an alternative fuel source in the next few years.

EGU (In-Service Year)	Nameplate Rated Capacity (a)	Actual / Expected Action (b)
IPL:		
Lansing Unit 3 (1957)	38 MW	Retired in 2013
M.L. Kapp Unit 2 (1967)	218 MW	Fuel switch in 2015 (c)
Dubuque Unit 3 (1952)	29 MW	Retire by December 31, 2016 (d)
Dubuque Unit 4 (1959)	37 MW	Retire by December 31, 2016 (d)
Fox Lake Unit 1 (1950)	11 MW	Retire by December 31, 2017
Fox Lake Unit 3 (1962)	82 MW	Retire by December 31, 2017 (d) (e)
Sutherland Unit 1 (1955)	37 MW	Retire by December 31, 2017 (e)
Sutherland Unit 3 (1961)	82 MW	Retire by December 31, 2017 (e)
Other units	Approximately 200 MW	Retire by December 31, 2017 (e)
WPL:		
Edgewater Unit 3 (1951)	60 MW	Retire by December 31, 2015 (f)
Nelson Dewey Unit 1 (1959)	100 MW	Retire by December 31, 2015 (f)
Nelson Dewey Unit 2 (1962)	100 MW	Retire by December 31, 2015 (f)
Edgewater Unit 4 (1969)	225 MW (g)	Fuel switch or retire by December 31, 2018

(a) Nameplate rated capacity represents the nominal amount of electricity an EGU is designed to produce. Each EGU is also assessed a generating capacity amount from MISO through its annual resource adequacy process. The generating capacity amount assessed by MISO is subject to change each year and is based upon the current performance capability of the EGU and is based on historical forced outages.

(b) As of December 31, 2013, the aggregate net book value of EGUs that may be retired in the future was $64 million for IPL and $97 million for WPL.

(c) M.L. Kapp Unit 2 is expected to switch from coal to natural gas as its primary fuel type in 2015.

(d) Final MISO studies could indicate that the retirement of Dubuque Units 3 and 4 and Fox Lake Unit 3 may result in reliability issues and that transmission network upgrades for system reliability are necessary to enable such retirements. Under the current MISO tariff, the specific timing for the retirement of these EGUs could depend on the timing of the required transmission network upgrades as well as various operational, market and other factors.

(e) The retirements of Fox Lake Unit 3, Sutherland Units 1 and 3, and other units are contingent on the construction of Marshalltown as well as various operational, market and other factors.

(f) In 2013, WPL received approval from MISO to retire Edgewater Unit 3, and Nelson Dewey Units 1 and 2, contingent on completion of transmission network upgrades necessary for system reliability.

(g) Reflects WPL's 68.2% ownership interest in Edgewater Unit 4.

Alliant Energy, IPL and WPL are working with MISO, state regulatory commissions and other regulatory agencies, as required, to determine the final timing of these actions. The expected dates for the retirement and fuel switching of these EGUs are subject to change depending on operational, regulatory, market and other factors. Alliant Energy, IPL and WPL also continue to evaluate the potential retirement of other EGUs within their generation fleet.

Nuclear Generation -

IPL's DAEC PPA - In January 2013, the IUB issued an order allowing IPL to proceed with a PPA that was negotiated with NER, a subsidiary of NextEra Energy, Inc., for the purchase of capacity and energy generated by DAEC located near Palo, Iowa. The IUB also authorized IPL to recover the Iowa retail portion of the cost of the DAEC PPA from Iowa retail electric customers through the energy adjustment clause. The terms of the PPA provide IPL the right to

NER's entire output quantities (70% of the total plant output) in exchange for payment from IPL to NER based on the amount of MWhs received by IPL. IPL will purchase 431 MWs of capacity and the resulting energy from DAEC for a term from February 22, 2014 through December 31, 2025. Among the terms and conditions of the PPA are guarantees by NER to provide minimum amounts of capacity and energy. The PPA also contains provisions for the replacement of energy from alternative sources under certain conditions as well as provisions that convey to IPL the potential environmental attributes associated with its portion of the output from DAEC. Refer to "Rate Matters" for further discussion of the IUB's January 2013 order approving the DAEC PPA.

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Wind Generation -
Resources' Franklin County Wind Project - The Franklin County wind project began generating electricity in 2012. Resources is currently selling the electricity output from the wind project into the MISO market as a merchant generator, and is evaluating different options to sell the electricity output from this wind project. Such options include entering into a PPA with an independent third party, entering into a PPA with either IPL or WPL and/or continuing to sell the output into the MISO market as a merchant generator.

Undeveloped Wind Sites - IPL has approximately 200 MW of wind site capacity remaining in Franklin County, Iowa. WPL has approximately 200 MW of wind site capacity remaining in Freeborn County, Minnesota. Future development of the balance of these wind sites will depend on numerous factors such as changes in customer demand, RPS, environmental requirements, electricity and fossil fuel prices, wind project costs, technology advancements and transmission capabilities.

Refer to Note 3 of the "Combined Notes to Consolidated Financial Statements" for further discussion of the Franklin County wind project and undeveloped wind sites.

Transmission Network Upgrades - In July 2013, FERC issued an order requiring MISO, on behalf of ITC, to revise ITC's Attachment "FF" tariff. ITC's Attachment "FF" tariff determines how much of the transmission network upgrade costs incurred to interconnect an EGU to ITC's transmission system will be incurred by the owner of such EGU. The revisions to ITC's Attachment "FF" tariff required by the FERC order result in the owners of the EGUs being responsible for a substantially higher portion of the transmission network upgrade costs required to meet MISO interconnection requirements. As a result of the July 2013 FERC order, IPL and WPL initially expected to incur capital expenditures for transmission network upgrades for Marshalltown and Bent Tree, respectively, that would have previously been reimbursed by ITC under the previous Attachment "FF" tariff. However, IPL and WPL currently anticipate that ITC will pursue an option under the terms of MISO's Attachment "X" tariff to self-fund the transmission network upgrades associated with Marshalltown and Bent Tree. As a result, ITC would incur the capital expenditures to construct the transmission network upgrades and include a direct charge for such transmission network upgrade costs as part of its electric transmission service costs billed to IPL and WPL as the owners of Marshalltown and Bent Tree, respectively. Refer to "Other Future Considerations" for further discussion of ITC's Attachment "FF" tariff.

Marshalltown - ITC is expected to construct the majority of the required transmission network upgrades for Marshalltown, which IPL currently expects to be completed in 2016. IPL currently expects any regulatory filings necessary for approval of the transmission network upgrades will be made after the execution of the interconnection agreement for Marshalltown, which is expected in the second quarter of 2014. IPL anticipates the required transmission network upgrades for Marshalltown will result in additional electric transmission service costs billed by ITC to IPL if ITC pursues the option to self-fund. IPL currently expects to pass on the Iowa retail portion of any changes in the electric transmission service costs to IPL's retail electric customers in Iowa through the transmission cost recovery rider. IPL does not currently believe that the cost cap included in the IUB's order approving construction of Marshalltown would be affected if ITC were to ultimately self-fund the transmission network upgrades for Marshalltown.

Bent Tree - Phase I Wind Project - ITC is expected to construct the majority of the transmission network upgrades for the Bent Tree - Phase I wind project, which WPL currently expects to be completed in 2016. WPL currently expects any regulatory filings necessary for approval of the transmission network upgrades will be made after the execution of a revised interconnection agreement for Bent Tree, which is expected in the second quarter of 2014. WPL anticipates the transmission network upgrades for Bent Tree will result in additional electric transmission service costs billed by ITC to WPL if ITC pursues the option to self-fund. WPL currently expects to seek recovery of any changes in the electric transmission service costs from WPL's electric customers in future rates.

Utility Business Divestitures -
IPL's Minnesota Electric and Natural Gas Distribution Assets - Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of the proposed sales of IPL's Minnesota electric and natural gas distribution assets. Alliant Energy and IPL currently do not expect the sales of these assets to have a significant impact on their earnings for 2014.

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Environmental Compliance Plans - Alliant Energy, IPL and WPL have developed environmental compliance plans to help ensure cost effective compliance with current and proposed environmental laws and regulations. Alliant Energy, IPL and WPL expect these environmental laws and regulations will require significant reductions of future emissions of NOx, SO2, PM, mercury and other HAPs at their EGUs. Alliant Energy, IPL and WPL review and update, as deemed necessary and in accordance with regulatory requirements, their environmental compliance plans to address various external factors. Some of these external factors include regulatory decisions regarding proposed emission controls projects, developments related to environmental regulations, outcomes of legal proceedings, settlements reached with environmental agencies and citizens groups, availability and cost effectiveness of different emission reduction technologies, market prices for electricity and fossil fuels, market prices for emission allowances, market conditions for obtaining financings, and federal and state tax incentives. Refer to "Environmental Matters" for details of certain current and proposed environmental regulations, including regulations for which these plans are expected to support compliance obligations. The following table provides current estimates of capital expenditures planned for 2014 through 2017 as well as the total (past and future) project costs for certain emission controls projects included in Alliant Energy's, IPL's and WPL's current environmental compliance plans (in millions):

Generating Unit	Actual/ Expected In-service Date	Technology (a)	2014	2015	2016	2017	Total Project Cost
IPL:							
George Neal Units 3 & 4 (b)	2013/2014	Scrubber & Baghouse	$20	$—	$—	$—	$120-$140
Ottumwa Unit 1	2014	Scrubber & Baghouse	30	—	—	—	150-170
Lansing Unit 4	2015	Scrubber	20	15	—	—	50-60
WPL:							
Columbia Units 1 & 2	2014	Scrubber & Baghouse	30	—	—	—	275-285
Edgewater Unit 5	2016	Scrubber & Baghouse	85	115	85	5	280-320
Columbia Unit 2	2018	SCR	—	15	35	35	100-120

(a) Scrubber is a post-combustion process that injects lime or lime slurry into the stream of gases leaving the EGU boiler to remove SO2 and other acid gases (including hydrochloric acid) and capture them in a solid or liquid waste by-product. A scrubber typically removes more than 90% of the SO2 emissions.

Baghouse, including carbon injection, is a post-combustion process that injects carbon particles into the stream of gases leaving the EGU boiler to facilitate the capture of mercury in filters or bags. This process can remove more than 85% of mercury emissions.

SCR is a post-combustion process that injects ammonia or urea into the stream of gases leaving the EGU boiler to convert NOx emissions into nitrogen and water. The use of a catalyst enhances the effectiveness of the conversion, enabling NOx emissions reductions of up to 90%.

(b) George Neal Units 3 and 4 are operated by MidAmerican. IPL owns a 28% interest in George Neal Unit 3 and a 25.695% interest in George Neal Unit 4.

These capital expenditure estimates represent IPL's or WPL's respective portion of the total escalated capital expenditures and exclude AFUDC, if applicable. Capital expenditure estimates are subject to change based on future changes to plant-specific costs of emission controls technologies and environmental requirements.

IPL's Emission Controls Projects - Under Iowa law, IPL is required to file an EPB biennially. Filing of annual periodic reports regarding the implementation of IPL's compliance plan and related budget identified in an EPB is also currently required under a settlement agreement between IPL and the OCA. An EPB provides a utility's compliance plan and related budget to meet applicable state environmental requirements and federal air quality standards. IUB approval of an EPB demonstrates that the IUB believes the EPB is reasonably expected to achieve cost-effective compliance with applicable state environmental requirements and federal air quality standards. In February 2013, the IUB approved IPL's most recent EPB, which includes the emission controls projects for Ottumwa Unit 1 and Lansing Unit 4 listed in the above table. MidAmerican's most recent EPB has also been approved by the IUB, which includes the emission controls projects for George Neal Units 3 and 4 listed in the above table.

George Neal Units 3 and 4, and Ottumwa Unit 1 - Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of the scrubber and baghouse projects at George Neal Units 3 and 4, and Ottumwa Unit 1.

Lansing Unit 4 - IPL is constructing a scrubber at Lansing Unit 4 to reduce SO2 emissions at the EGU. The scrubber at Lansing Unit 4 is expected to support compliance obligations for current and anticipated air quality regulatory requirements, including CAIR or some alternative to this rule that may be implemented.

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Other - IPL is currently constructing lower-cost emission controls projects at Burlington Unit 1 and Prairie Creek Units 3 and 4 to support compliance obligations for current and anticipated air quality regulatory requirements, including the MATS Rule. Alliant Energy and IPL currently anticipate the projects will be completed in 2014, at which time these generating facilities will be in compliance with the MATS Rule.

WPL's Emission Controls Projects - WPL must file a CA and receive authorization from the PSCW to proceed with any individual emission controls project with an estimated project cost of $10 million or more.

Columbia Units 1 and 2, and Edgewater Unit 5 - Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of the scrubber and baghouse projects at Columbia Units 1 and 2, and Edgewater Unit 5.

Columbia Unit 2 - WPL currently expects to file a CA application with the PSCW in the second quarter of 2014 to install an SCR at Columbia Unit 2 to reduce NOx emissions at the EGU. The SCR is expected to support compliance obligations for current and anticipated air quality regulatory requirements, including CAIR or some alternative to this rule that may be implemented.

Refer to Note 16(e) of the "Combined Notes to Consolidated Financial Statements" for discussion of a Consent Decree approved by the Court in June 2013, which includes a requirement for WPL to install emission controls systems noted above at certain of its EGUs.

Energy Efficiency Programs - Alliant Energy, IPL and WPL have several energy efficiency programs and initiatives that help customers reduce their energy usage and related costs through the use of new energy efficient equipment, products and practices. The following are Alliant Energy's, IPL's and WPL's current key energy efficiency programs:

IPL EEP - In December 2013, IPL received an order from the IUB approving IPL's EEP for 2014 through 2018. The EEP includes IPL spending approximately $400 million for electric and natural gas energy efficiency programs in Iowa from 2014 through 2018, and is expected to conserve electric and natural gas usage equal to that of more than 100,000 homes. In accordance with Iowa law, IPL is required to file an EEP every five years. An EEP provides a utility's plan and related budget to achieve specified levels of energy savings. IUB approval demonstrates that the IUB believes that IPL's EEP is reasonably expected to achieve cost effective delivery of the energy efficiency programs. To the extent approved by the IUB, costs associated with executing the EEP are recovered from ratepayers through an additional tariff called an EECR factor. The EECR factors are revised annually and include a reconciliation to eliminate any over- or under-recovery of energy efficiency expenses from prior periods. There are no carrying costs associated with the cost recovery factors. The annual EECR factors are based on IPL's approved budget as filed with its EEP, along with any over- or under-collection from prior periods, and therefore are not expected to have a material impact on Alliant Energy's and IPL's financial condition or results of operations.

Focus on Energy Program - In 2013 and 2012, WPL contributed 1.2% of annual utility revenues to help fund Focus on Energy, Wisconsin's state-wide energy efficiency and renewable energy resource program.

Shared Savings Programs - IPL and WPL have historically offered energy efficiency programs to certain customers in Minnesota and Wisconsin referred to as Shared Savings programs. These programs have provided low-cost financing to help customers identify, purchase and install energy efficiency improvement projects. The customers repay IPL and WPL with monthly payments over a term up to five years. Refer to Note 5(c) of the "Combined Notes to Consolidated Financial Statements" for additional details of Shared Savings programs.

RATE MATTERS

Overview - Alliant Energy has two utility subsidiaries, IPL and WPL. IPL and WPL are subject to federal regulation by FERC, which has jurisdiction over wholesale electric rates and certain natural gas facilities, and state regulation in Iowa, Wisconsin and Minnesota for retail utility rates and standards of service. Such regulatory oversight also covers IPL's and WPL's plans for construction and financing of new EGUs and related activities.

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Recent Retail Base Rate Filings - Details of IPL's and WPL's recent retail base rate cases impacting their historical and future results of operations are as follows (dollars in millions; Electric (E); Gas (G)):

Retail Base Rate Cases	Utility Type	Filing Date	Interim Increase Implemented (a)(b)	Interim Effective Date	Final Increase / (Decrease) Granted (b)	Final Effective Date
WPL:						
Wisconsin 2013/2014 Test Period	E/G	May-12	N/A	N/A	E-$0;G-($13)	Jan-13
IPL:						
Iowa 2011 Test Year	G	May-12	$9	Jun-12	11	Jan-13
Minnesota 2009 Test Year	E	May-10	14	Jul-10	8	Feb-12 (c)
Iowa 2009 Test Year	E	Mar-10	119	Mar-10	114	Apr-11

(a) In Iowa, IPL's interim rates can be implemented 10 days after the filing date, without regulatory review and are subject to refund, pending determination of final rates. In Minnesota, IPL's interim rates can be implemented 60 days after the filing date, with regulatory review and are subject to refund, pending determination of final rates. The amount of the interim rates is replaced by the amount of final rates once the final rates are effective.

(b) Base rate changes reflect both returns on additions to infrastructure and recovery of changes in costs incurred or expected to be incurred. Given that a portion of the rate changes will offset changes in costs, revenues from rate changes should not be expected to result in an equal change in net income for either IPL or WPL.

(c) Refer to "IPL's Minnesota Retail Electric Rate Case (2009 Test Year)" below for details of the final recovery amount of IPL's Whispering Willow - East wind project costs.

WPL's Wisconsin Retail Electric and Gas Rate Case (2013/2014 Test Period) - In July 2012, WPL received an order from the PSCW authorizing WPL to implement its retail base rate filing as requested. The retail base rate filing request was based on a forward-looking test period that included 2013 and 2014. The filing requested approval for WPL to implement a decrease in annual base rates for WPL's retail gas customers of $13 million effective January 1, 2013 followed by a freeze of such gas base rates through the end of 2014. The filing also requested authority to maintain customer base rates for WPL's retail electric customers at their current levels through the end of 2014. Recovery of the costs for the acquisition of Riverside, the SCR project at Edgewater Unit 5 and the scrubber and baghouse projects at Columbia Units 1 and 2 were included in the request. The recovery of the costs for these capital projects are offset by decreases in rate base resulting from increased net deferred tax liabilities, the impact of changes in the amortizations of regulatory assets and regulatory liabilities, and the reduction of capacity payments. WPL's retail base rate filing included continuation of a 10.4% return on common equity and the following related provisions: (1) WPL may request a change in retail base rates during the test period if its annual regulatory return on common equity falls below 8.5%; and (2) WPL must defer a portion of its earnings if its annual regulatory return on common equity exceeds 10.65% during the test period. The amount of earnings WPL must defer is equal to 50% of its excess earnings between 10.66% and 11.40% and 100% of any excess earnings above 11.40%. In addition, the filing requested WPL maintain its ability to request deferrals based on current practices. As of December 31, 2013, Alliant Energy and WPL did not record any material deferred amounts for these provisions.

Refer to "WPL's Retail Fuel-related Rate Filings" below for information on WPL's retail fuel-related filings for 2013 and 2014. Refer to Note 2 of the "Combined Notes to Consolidated Financial Statements" for details of impacts to "Regulatory assets" on Alliant Energy's and WPL's Consolidated Balance Sheets from the PSCW's July 2012 order.

IPL's Iowa Retail Gas Rate Case (2011 Test Year) - In May 2012, IPL filed a request with the IUB to increase annual rates for its Iowa retail gas customers based on a 2011 historical test year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. The key drivers for the

filing included recovery of capital investments since IPL's last Iowa retail gas rate case filed in 2005. In conjunction with the filing, IPL implemented an interim retail gas rate increase of $9 million, or approximately 3%, on an annual basis, effective June 4, 2012.

In November 2012, the IUB approved a settlement agreement between IPL, the OCA and the Iowa Consumers Coalition related to IPL's request resulting in a final increase in annual rates for IPL's Iowa retail gas customers of $11 million, or approximately 4%, effective January 10, 2013, a 9.6% return on common equity after the application of double leverage and the adoption of IPL's proposed gas tax benefit rider discussed below.

Gas Tax Benefit Rider - IPL's May 2012 retail gas rate case filing with the IUB included a proposal to utilize regulatory liabilities to credit bills of Iowa retail gas customers to help mitigate the impact of the proposed final rate increase on such customers. IPL proposed to reduce customer bills utilizing a gas tax benefit rider over a three-year period by approximately $36 million in aggregate. In November 2012, IPL received an order from the IUB authorizing the gas tax benefit rider. The

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IUB's order authorized up to $12 million of regulatory liabilities from tax benefits to be credited to IPL's retail gas customers' bills in Iowa annually from January 2013 through December 2015 through the gas tax benefit rider. In December 2012, IPL filed a report with the IUB that identified approximately $48 million of total tax benefits allocated for use with the gas tax benefit rider. Any remaining benefit, including any portion not utilized of the agreed upon amount from January 2013 through December 2015, will be credited to Iowa's retail gas customers' bills in 2016. IPL utilized $11 million of regulatory liabilities to credit Iowa retail gas customers' bills in 2013. Refer to "IPL's Iowa Retail Electric Rate Case (2009 Test Year)" below and Note 2 of the "Combined Notes to Consolidated Financial Statements" for additional discussion of the tax benefit riders.

IPL's Minnesota Retail Electric Rate Case (2009 Test Year) - In 2010, IPL filed a request with the MPUC to increase annual rates for its Minnesota retail electric customers based on a 2009 historical test year as adjusted for certain known and measurable items at the time of the filing. The key drivers for the filing included recovery of investments in IPL's Whispering Willow - East wind project and emission controls projects at Lansing Unit 4, and recovery of increased electric transmission service costs. In conjunction with the filing, IPL implemented an interim retail rate increase of $14 million, on an annual basis, effective July 6, 2010.

In November 2011, IPL received an order from the MPUC authorizing a final annual retail electric rate increase equivalent to $11 million. The final annual retail electric rate increase of $11 million includes $8 million of higher base rates, $2 million from the temporary renewable energy rider and $1 million from the utilization of regulatory liabilities to offset higher electric transmission service costs. Because the final rate increase level was below the interim retail rate increase level implemented in July 2010, IPL refunded $4 million, including interest, to its Minnesota retail electric customers in 2012.

The MPUC's order approved IPL's Minnesota renewable energy rider request on a temporary basis but deferred judgment on the prudence of the Whispering Willow - East wind project costs. The initial recovery amount of the project costs were allowed through the temporary renewable energy rider at a levelized cost of $51 per MWh. In December 2013, IPL received an order from the MPUC approving full cost recovery of the Minnesota retail portion of IPL's Whispering Willow - East wind project construction costs of approximately $30 million, effective January 1, 2013. IPL will continue to recover all costs, including production tax credits, through the renewable energy rider until all costs are moved into base rates, subject to approval by the MPUC in a future rate proceeding.

Refer to Note 2 of the "Combined Notes to Consolidated Financial Statements" for discussion of changes to regulatory assets and regulatory liabilities in 2011 based on the MPUC's November 2011 order. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of adjustments made by Alliant Energy and IPL in 2011 and 2013 to the carrying value of IPL's Whispering Willow - East wind project, based on amounts IPL determined were probable of being disallowed for recovery from its Minnesota retail electric customers.

IPL's Iowa Retail Electric Rate Case (2009 Test Year) - In 2010, IPL filed a request with the IUB to increase annual rates for its Iowa retail electric customers based on a 2009 historical test year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. The key drivers for the filing included recovery of investments in the Whispering Willow - East wind project and emission controls projects at Lansing Unit 4, and recovery of increased electric transmission service costs. In conjunction with the filing, IPL implemented an interim retail electric rate increase of $119 million, or approximately 10%, on an annual basis, effective March 20, 2010. In February 2011, IPL received an order from the IUB authorizing a final annual retail electric rate increase of $114 million, or approximately 10%. Because the final rate increase level was below the interim rate increase level of $119 million implemented on March 20, 2010, IPL refunded $5 million, including interest, to its Iowa retail electric customers in 2011. Refer to Note 2 of the "Combined Notes to Consolidated Financial Statements" for details of changes to regulatory assets and regulatory liabilities based on a separate January 2011 IUB

order.

Transmission Cost Rider - In January 2011, the IUB approved IPL's proposal to implement a transmission cost rider for recovery of electric transmission service expenses incurred to provide electric service to IPL's retail customers in Iowa. The IUB stipulated that the rider would be implemented on a pilot basis conditional upon IPL's agreement to not file a retail electric base rate case for three years from the date of the order and meet additional reporting requirements. In January 2011, IPL accepted the transmission cost rider with the IUB's conditions. The transmission cost rider will remain in effect until the IUB's final decision in IPL's next retail electric base rate case, at which time the rider will continue in its current form, continue in a modified form or be terminated. Effective February 2011, electric transmission service expenses were removed from base rates and billed to IPL's Iowa retail electric customers through the transmission cost rider. This cost recovery mechanism provides for subsequent adjustments to electric rates charged to Iowa retail electric customers for changes in electric transmission service expenses. The cumulative effects of the under-/over-collection of these costs will be recorded in

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regulatory assets or regulatory liabilities on Alliant Energy's and IPL's Consolidated Balance Sheets until they are reflected in future billings to customers.

In November 2013, IPL filed its latest request with the IUB to update the rates IPL uses to bill its Iowa retail electric customers in 2014 under the transmission cost rider. In January 2014, IPL received an order from the IUB approving IPL's rates for 2014 as requested, which became effective February 1, 2014. Refer to "Other Future Considerations - Electric Transmission Service Charges" for discussion of estimated increases in transmission service charges expected by IPL for 2014.

Electric Tax Benefit Rider - In 2009, IPL filed a request with the IUB to create a regulatory liability account for potential tax benefits resulting from changes in tax accounting methodologies and tax elections available under the Internal Revenue Code. These potential tax benefits are related to the tax treatment of repairs expenditures, allocation of insurance proceeds from floods in 2008 and allocation of mixed service costs. In December 2012, IPL filed a report with the IUB requesting approval of the final amount of the regulatory liability account based on the tax benefits generated from these changes in tax accounting methodologies and tax elections that were sustained under IRS audit. The December 2012 report filed by IPL identified approximately $500 million of such tax benefits, which includes $452 million allocated for use with the electric tax benefit rider and $48 million allocated for use with the gas tax benefit rider discussed previously. In February 2013, the IUB authorized IPL to reduce the billing credits on customers' bills by $24 million in 2013 to recognize the revenue requirement impact of the changes in tax accounting methods. This resulted in a revenue requirement adjustment increasing Alliant Energy's and IPL's electric revenues by $24 million in 2013.

The electric tax benefit rider, which was approved by the IUB and implemented in early 2011, utilizes amounts from the regulatory liability account to credit bills of Iowa retail customers to help offset the impact of rate increases on such customers. These credits on customers' electric bills reduce electric revenues each quarter based on customers' KWh usage. In 2013, 2012 and 2011, the electric tax benefit rider utilized $79 million, $83 million and $61 million of the regulatory liability account to credit IPL's customers' bills, respectively. In December 2013, the IUB issued an order approving IPL's 2014 electric tax benefit rider tariff, which proposes to utilize $85 million of the regulatory liability account in 2014 to credit IPL's retail electric customers' bills. In December 2013, the IUB also authorized IPL to reduce the $85 million of billing credits on customers' bills by $15 million in 2014 to recognize the revenue requirement impact of the changes in tax accounting methods.

The remaining $144 million of the regulatory liability account balance allocated for use with the electric tax benefit rider is currently expected to be utilized subsequent to 2014 and will be dependent on future decisions by the IUB. Refer to Notes 2 and 11 of the "Combined Notes to Consolidated Financial Statements" for additional discussion of the impacts of the electric tax benefit rider on Alliant Energy's and IPL's regulatory assets and regulatory liabilities, income tax expense and effective income tax rates.

WPL's Retail Fuel-related Rate Filings -
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 electric 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. Deferral of under-collections are reduced to the extent WPL's actual return on common equity exceeds the most recently authorized return on common equity.

2013 Test Year - In December 2012, WPL received an order from the PSCW authorizing an annual retail electric rate decrease of $29 million, or approximately 3%, effective January 1, 2013 to reflect anticipated decreases in retail

electric fuel-related costs in 2013 compared to the fuel-related cost estimates used to determine rates for 2012. WPL's 2013 fuel-related costs were subject to deferral if they fell outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL for 2013 did not fall outside of the fuel monitoring range.

2012 Test Year - In December 2011, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $4 million, effective January 1, 2012 to reflect anticipated increases in fuel-related costs in 2012 compared to fuel-related cost estimates used to determine rates for 2011. WPL's 2012 fuel-related costs were subject to deferral if they fell outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL in 2012 were lower than retail fuel-related costs used to determine rates for such period resulting in an over-collection of fuel-related costs for 2012 of approximately $17 million (including $11 million outside the approved range

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for 2012 recorded in “Regulatory liabilities” on Alliant Energy’s and WPL’s Consolidated Balance Sheets as of December 31, 2012). In 2013, WPL refunded $12 million, including interest, to its retail electric customers for these over-collections.

Planned Utility Rate Cases in 2014 -
IPL’s Iowa Retail Electric Rate Case (2013 Test Year) - In January 2013, the IUB issued an order allowing IPL to proceed with its DAEC PPA for a term of February 22, 2014 through December 31, 2025 and authorized IPL to recover the Iowa retail portion of the costs of such PPA from Iowa retail electric customers through the energy adjustment clause beginning February 22, 2014. The January 2013 order encouraged IPL to continue discussions with parties to the DAEC PPA proceeding to resolve concerns expressed by such parties during the proceeding regarding rate impacts beginning in 2014. IPL is preparing to file an Iowa retail electric base rate case without interim rates in late March 2014 in case such discussions do not result in a resolution of the issues. The key drivers to determining the final rates in such a rate case are expected to be the reduction in purchased electric capacity expenses in 2014 with the expiration of the existing DAEC PPA and significant additions to IPL’s rate base since its 2009 test year retail electric rate case for emission controls added to generating facilities to comply with environmental regulations, generation performance improvement projects and other capital expenditures to ensure reliable electric service. IPL currently believes the impact of the reduction in purchased electric capacity expenses on the determination of final rates will be largely offset by the significant rate base additions since IPL’s last retail electric rate case. However, IPL is currently unable to predict the final rates to be determined by the IUB from such a rate case. Final rates may also be dependent on other matters expected to be addressed in such rate case, including extension of the current temporary transmission rider, utilization of remaining regulatory liabilities related to the electric tax benefit rider and future revenue requirement adjustments related to certain tax benefits from tax accounting method changes. Based on the terms of the IUB’s January 2013 order discussed above, if the IUB would order a rate decrease from such a rate case, IPL has agreed to subject its Iowa retail electric base rates to potential refund beginning February 22, 2014. IPL currently anticipates a decision from the IUB on this matter by the end of 2014, either through an approved rate case or an approved settlement.

WPL’s Wisconsin Retail Electric and Gas Rate Case (2015/2016 Test Period) - WPL currently expects to make a retail rate filing in late March 2014 based on a forward-looking test period that may include calendar years 2015 and 2016. The form and magnitude of such filing is currently being analyzed and could range from a future test year 2015 electric fuel plan to a full rate case for the 2015 and 2016 test period. The key non-fuel drivers for the anticipated filing include recovery of the scrubber and baghouse projects at Columbia Units 1 and 2 and partial recovery of the scrubber and baghouse projects at Edgewater Unit 5. The recovery of costs associated with these capital projects is expected to be partially offset by lower energy conservation cost recovery amortizations. Any rate changes granted are expected to be effective in early 2015.

Rate Case Details - Details of the currently effective rate orders in IPL’s and WPL’s key jurisdictions were as follows (Common Equity (CE); Preferred Equity (PE); Long-term Debt (LD); Short-term Debt (SD)):

Jurisdictions	Test Period	Authorized Return on Common Equity (a)	Regulatory Capital Structure				After-tax WACC	Average Rate Base (in millions)
			CE	PE	LD	SD		
IPL:								
Iowa retail (IUB):								
Electric:								
- Emery (b)	2009	11.58 %	48.2%	6.5%	45.3%	N/A	8.85%	$281
- Whispering Willow - East (b)	2009	11.09 %	48.2%	6.5%	45.3%	N/A	8.61%	266
- Other (b)	2009	9.53 %	48.2%	6.5%	45.3%	N/A	7.86%	1,843
Gas (c)	2011	9.56 %	48.8%	5.0%	46.2%	N/A	7.76%	255

Minnesota retail (MPUC):									
Electric	2009	10.35	%	47.7%	6.3%	43.9%	2.1%	8.11%	126 (d)
Gas	1994	10.75	%	41.0%	7.4%	44.0%	7.6%	8.82%	7
Wholesale electric (FERC) (e)	2013	10.97	%	48.9%	5.4%	45.7%	N/A	8.32%	30
WPL:									
Wisconsin retail (PSCW):									
Electric	2014	10.40	%	49.4%	1.9%	44.2%	4.5%	7.77%	2,240 (f)
Gas	2014	10.40	%	49.4%	1.9%	44.2%	4.5%	7.77%	199 (f)
Wholesale electric (FERC) (g)	2013	10.90	%	55.0%	N/A	45.0%	N/A	8.49%	273 (h)

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(a) Authorized returns on common equity may not be indicative of actual returns earned or projections of future returns.

(b) Authorized returns on common equity and after-tax WACC reflect application of double leverage pursuant to the IUB's January 2011 order discussed above. Prior to the application of double leverage, authorized returns on common equity were: Emery-12.23%, Whispering Willow-East-11.7% and Other-10.0%, and after-tax WACC were: Emery-9.16%, Whispering Willow-East-8.91% and Other-8.09%.

(c) Authorized returns on common equity and after-tax WACC reflect application of double leverage pursuant to the unanimous settlement agreement approved in the IUB's November 2012 order. Prior to the application of double leverage, authorized return on common equity was 10.0% and after-tax WACC was 8.0%.

(d) Average rate base amounts do not include Whispering Willow - East capital costs, which are currently being recovered through a temporary renewable energy rider approved by the MPUC. Refer to "IPL's Minnesota Retail Electric Rate Case (2009 Test Year)" above for details of the final recovery amount of the Whispering Willow - East capital costs.

(e) IPL's wholesale formula rates reflect annual changes in CE, PE, LD, WACC and rate base.

(f) Average rate base amounts do not include CWIP or a cash working capital allowance. The PSCW provides a return on selected CWIP and a cash working capital allowance by adjusting the percentage return on rate base.

(g) WPL's wholesale formula rates reflect annual changes in WACC and rate base.

(h) WPL's wholesale average rate base reflects production-related rate base calculated as the simple average of the beginning of year and end of year balances in accordance with WPL's approved formula rates.

ENVIRONMENTAL MATTERS

Overview - Alliant Energy, IPL and WPL are subject to regulation of environmental matters by federal, state and local authorities as a result of their current and past operations. Alliant Energy, IPL and WPL monitor these environmental matters and address them by installing controls that reduce emissions and by implementing operational modifications or other measures to address compliance obligations. These programs are subject to continuing review and are periodically revised due to various factors, including but not limited to changes in environmental regulations, litigation of environmental requirements, construction plans and compliance costs. There is currently significant regulatory uncertainty with respect to a number of environmental rules and regulations discussed below. Given the dynamic nature of environmental regulations and other related regulatory requirements, Alliant Energy, IPL and WPL have established an integrated planning process that is used for environmental compliance for their operations. Alliant Energy, IPL and WPL anticipate future expenditures for environmental compliance will be material, including significant capital investments. Alliant Energy, IPL and WPL anticipate that prudent expenditures incurred by IPL and WPL to comply with environmental requirements would likely be recovered in rates from IPL's and WPL's customers. Refer to "Strategic Overview - Environmental Compliance Plans" for details of environmental compliance plans, including discussion of specific projects and the associated estimated capital expenditures. The following are major environmental matters that could potentially have a significant impact on Alliant Energy's, IPL's and WPL's financial condition and results of operations.

Air Quality - The CAA and its amendments mandate preservation of air quality through existing regulations and periodic reviews to ensure adequacy of the CAA provisions based on scientific data. As part of the basic framework under the CAA, the EPA is required to establish NAAQS rules, which serve to protect public health and welfare. These rules address six "criteria" pollutants, four of which (NOx, SO2, PM and ozone) are particularly relevant to Alliant Energy's, IPL's and WPL's electric utility operations. Ozone is not directly emitted from Alliant Energy's, IPL's and WPL's EGUs; however, NOx emissions may contribute to its formation in the atmosphere. PM2.5 may also be formed in the atmosphere from SO2 and NOx emissions.

SIPs document the collection of regulations that individual state agencies will apply to maintain NAAQS rules and related CAA requirements. The EPA must approve each SIP and if a SIP is not acceptable to the EPA or if a state chooses not to issue separate state rules, then the EPA can assume enforcement of the CAA in that state by issuing a federal implementation plan. Routinely monitored locations that do not comply with NAAQS rules may be classified by the EPA as non-attainment and require further actions to reduce emissions. Additional emissions standards may also be applied under the CAA regulatory framework beyond NAAQS rules. The specific federal and state air quality regulations that may affect Alliant Energy's, IPL's and WPL's operations are listed in the table below. Refer to the sections below the following tables for detailed discussion of the following air quality regulations.

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Environmental Regulation	Emissions Regulated	Alliant Energy's Primary Facilities Potentially Affected	Actual/Anticipated Compliance Deadline
CAIR	SO2, NOx	Fossil-fueled EGUs over 25 MW capacity in IA and WI	Phase I - 2009/2010; Phase II - January 2015
CAVR	SO2, NOx, PM	Fossil-fueled EGUs built between 1962 and 1977 in IA and WI	TBD
MATS Rule	Mercury and other HAPs	Coal-fueled EGUs over 25 MW capacity in IA and WI	April 2015 (a)
Wisconsin State Mercury Rule	Mercury	WPL's coal-fueled EGUs over 25 MW capacity	Phase I - 2010; Phase II - April 2016
Industrial Boiler and Process Heater MACT Rule	Mercury and other HAPs	IPL's Prairie Creek boilers 1, 2 and 5	January 2016 (a)
Ozone NAAQS Rule	NOx	Fossil-fueled EGUs in non-attainment areas	December 2015
Fine Particulate NAAQS Rule	SO2, NOx, PM	Fossil-fueled EGUs in non-attainment areas	2020
NO2 NAAQS Rule	NO2	Fossil-fueled EGUs in non-attainment areas	TBD
SO2 NAAQS Rule	SO2	Fossil-fueled EGUs in non-attainment areas	2018
GHG NSPS	CO2	Fossil-fueled EGUs	New units upon startup and existing units TBD

(a) An additional year for compliance can be requested, which may be granted on a case-by-case basis by state permitting authorities.

The following table lists the fossil-fueled generating facilities by primary fuel type that IPL and WPL currently own or operate with greater than 25 MW of nameplate capacity. All of IPL's generating facilities listed below are located in Iowa except for Fox Lake Unit 3, which is located in Minnesota. All of WPL's generating facilities listed below are located in Wisconsin. Refer to "Strategic Overview" for discussion of various generating facilities that may be retired or changed from coal-fired to an alternative fuel source in the next few years.

IPL			WPL	
Coal	Natural Gas	Oil	Coal	Natural Gas
Ottumwa 1	Emery 1-3	Marshalltown 1-3	Columbia 1-2	Riverside 1-3
Lansing 4	Fox Lake 3	Lime Creek 1-2	Edgewater 3-5	Sheboygan Falls 1-2
M.L. Kapp 2 (a)	Sutherland 1,3 (b)	Centerville 1-2	Nelson Dewey 1-2	Neenah 1-2
Burlington 1	Dubuque 3-4			South Fond du Lac 1-4
George Neal 3-4				Rock River 3,5-6
Prairie Creek 3-4				Sheepskin 1
Louisa 1				

(a) M.L. Kapp Unit 2 is expected to switch from coal to natural gas as its primary fuel type in 2015.

(b) In 2012, IPL switched Sutherland Units 1 and 3 to using natural gas as their primary fuel type; however, Sutherland Units 1 and 3 are still permitted to burn coal and are subject to all of the coal-burning EGU air regulations.

As discussed in greater detail below, a number of these air regulations are subject to legal challenges, reconsideration and/or other uncertainties that affect Alliant Energy's, IPL's and WPL's ability to predict with certainty what impact such regulations may have on their financial condition and results of operations.

CAIR/CSAPR - CAIR includes a regional cap-and-trade system covering the eastern U.S., where compliance with SO2 and NOx emissions limits may be achieved by either adding emission controls and/or purchasing emission allowances. In 2011, the EPA issued CSAPR as a replacement rule for CAIR. CSAPR also included requirements to reduce SO2 and NOx emissions. In June 2013, the U.S. Supreme Court issued an order granting an EPA petition for review of a D.C. Circuit Court decision to vacate and remand CSAPR for further EPA review. The U.S. Supreme Court ruling on the CSAPR vacatur is expected in 2014, and during the interim, CAIR remains effective. Given that these rules remain subject to potential further reconsideration by the EPA in response to legal challenges, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact on their financial condition or results of operations. Alliant Energy, IPL and WPL currently believe that CAIR will be replaced in the future, either by a modified CSAPR or another rule that addresses the interstate transport of air pollutants, and expect that capital investments and/or modifications to their EGUs to meet the final compliance requirements will be significant.

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CAVR - CAVR requires states to develop and implement plans to address visibility impairment in designated national parks and wilderness areas across the U.S. with a national goal of no impairment by 2064. These implementation plans require BART emission controls at certain IPL and WPL fossil-fueled EGUs that were built between 1962 and 1977 and other additional measures needed for reducing state contributions to regional haze. IPL's facilities that may be impacted include Burlington Unit 1, George Neal Units 3 and 4, Prairie Creek Unit 4, M.L. Kapp Unit 2 and Lansing Unit 4. WPL's facilities that may be impacted include Edgewater Unit 4, Nelson Dewey Unit 2, and Columbia Units 1 and 2.

In 2012, the EPA published a final rule (BART-CSAPR Rule) that allowed BART obligations for SO2 and NOx emissions to be fulfilled by compliance with CSAPR. In 2012, the EPA approved Wisconsin's CAVR plan, which relied on the EPA's BART-CSAPR rule. In 2012, the EPA issued a federal plan specifying that Iowa's compliance with CSAPR would be sufficient to meet CAVR requirements.

As a result of the Court decision to vacate CSAPR, it is unknown whether the EPA will allow BART to be fulfilled by CAIR, a modified CSAPR or another rule pending the ongoing legal review of these regulations and the EPA's responses to resolve the court orders on these rules. In addition, groups have legally challenged the EPA's reliance on CSAPR to satisfy CAVR BART requirements. Alliant Energy, IPL and WPL are unable to predict with certainty the impact that CAVR might have on the operations of their existing EGUs until the legal challenges to CAIR and CSAPR are resolved.

MATS Rule - In 2011, the EPA issued the final MATS Rule, which requires compliance with emission limits for mercury and other HAPs. In 2012, the EPA issued a proposed reconsideration to the MATS Rule, including revisions to the startup and shutdown provisions for existing EGUs. In March 2013, the EPA announced that the final reconsideration rule for startup and shutdown provisions under the MATS Rule was delayed, but did not provide a revised schedule for issuance. Compliance with the MATS Rule is required by April 2015; however, an entity can request an additional year for compliance for units that are needed to assure power reliability, units needed while building replacement generation or repowering to gas, or units that need additional time to install air emission controls technology. In February 2014, the Wisconsin DNR approved an extension to the MATS compliance deadline for WPL's Edgewater Unit 3 and Nelson Dewey Units 1 and 2 to April 2016. The MATS Rule is subject to legal challenge that is pending in the D.C. Circuit Court and a ruling in the case is not expected until mid-2014 or later. Given that this rule remains subject to legal challenge in the D.C. Circuit Court and possible revision due to the proposed reconsideration, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of the MATS Rule on their financial condition and results of operations, but expect that capital investments and/or modifications to their EGUs could be significant to comply with the rule.

Wisconsin State Mercury Rule - The second phase of the Wisconsin State Mercury Rule requires large coal-fueled EGUs with greater than 150 MW of capacity to either achieve a mercury emissions reduction standard or limit the annual concentration of mercury emissions beginning in January 2015. Small coal-fueled EGUs between 25 MW and 150 MW of capacity must install Best Available Control Technology by January 2015 to reduce mercury emissions. As an alternative, the Wisconsin State Mercury Rule allows large and small EGUs to achieve compliance through averaging of covered emissions. WPL expects to utilize large and small EGU averaging to comply with this rule. In accordance with Wisconsin Statutes, EGUs complying with the MATS Rule by April 2015 would no longer be subject to the Wisconsin State Mercury Rule. The Wisconsin NRB proposed changes to the Wisconsin State Mercury Rule that would extend the second phase compliance date to April 2016, thereby accommodating the MATS Rule compliance deadline. A decision regarding Wisconsin NRB proposed changes to the Wisconsin State Mercury Rule is expected in 2014. Alliant Energy and WPL continue to evaluate the impact of the Wisconsin State Mercury Rule and the MATS Rule discussed above on their financial condition and results of operations to determine if further mercury emission reductions would be required.

Industrial Boiler and Process Heater MACT Rule - In 2012, the EPA issued a final reconsidered Industrial Boiler and Process Heater MACT Rule with a compliance deadline of early 2016 for major sources; however, an entity can request an additional year for compliance, which may be granted on a case-by-case basis by state permitting authorities. The rule is expected to apply to IPL's Prairie Creek boilers 1, 2 and 5, and fossil-fueled auxiliary boilers and process heaters operated at other IPL and WPL fossil-fueled generating facilities. The rule requires compliance with HAPs emission limitations and work practice standards. The final rule remains subject to legal challenges in the D.C. Circuit Court. Given that this rule remains subject to legal challenges in the D.C. Circuit Court, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of the Industrial Boiler and Process Heater MACT rule on their financial condition and results of operations, but expect that capital investments and/or modifications to their generating facilities to meet compliance requirements of the rule could be significant.

Ozone NAAQS Rule - The 2008 ozone NAAQS rule may require a reduction of NOx emissions in certain non-attainment areas based on classifications assigned by the EPA. There are five non-attainment classifications: marginal, moderate,

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serious, severe and extreme. In 2012, the EPA issued a final rule that classified Sheboygan County in Wisconsin as marginal ozone non-attainment, which requires this area to achieve the 2008 eight-hour ozone NAAQS by December 2015. WPL operates Edgewater and Sheboygan Falls in Sheboygan County, Wisconsin. The final rule does not list any non-attainment areas in Iowa or Minnesota that impact IPL. In May 2013, the EPA issued a proposed rule to assist state agencies in developing SIPs. The SIPs will explain what actions and emission reductions may be required for compliance to achieve attainment. The Edgewater Unit 5 SCR system completed in 2012 is expected to assist with possible compliance obligations under the ozone NAAQS SIP for Wisconsin. In addition, the EPA is expected to issue a proposed rulemaking in 2014 in response to legal challenges for missing its five-year statutory deadline to re-evaluate the level of the 2008 ozone NAAQS, which could make the standard more stringent. Given the Wisconsin DNR has not yet issued an eight-hour ozone non-attainment SIP, and the 2008 standard may be revised, Alliant Energy and WPL are currently unable to predict with certainty the impact of the ozone NAAQS on their financial condition and results of operations.

Fine Particulate (PM2.5) NAAQS Rule - In 2012, the EPA issued a final rule that strengthened the annual PM2.5 NAAQS. The EPA is expected to designate non-attainment areas for the revised annual PM2.5 NAAQS by December 2014 with an effective date in early 2015. States with areas designated as non-attainment will be required to submit PM2.5 NAAQS SIPs within three years of the effective date of area designations by the EPA. The SIPs will explain what actions are needed in the non-attainment areas to achieve compliance with annual PM2.5 NAAQS. Compliance with the final rule is required five years after the effective date of the area designations by the EPA, which is expected to be 2020 for non-attainment areas designated by EPA in December 2014. Given that the PM2.5 NAAQS rule remains subject to legal challenges in the D.C. Circuit Court, the EPA has not yet designated non-attainment areas and the PM2.5 NAAQS SIPs have not been issued, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of the final PM2.5 NAAQS rule on their financial condition and results of operations.

NO2 NAAQS Rule - In 2010, the EPA issued a final rule that establishes a new one-hour NAAQS for NO2. In 2012, the EPA issued a final rule that does not propose to designate any non-attainment areas in Iowa, Wisconsin or Minnesota. The EPA is expected to re-evaluate these designations in 2016 based on expanded monitoring data. Given that the EPA has not yet re-evaluated designations, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of any potential NO2 NAAQS changes on their financial condition and results of operations.

SO2 NAAQS Rule - In 2010, the EPA issued a final rule that establishes a new one-hour NAAQS for SO2. In July 2013, the EPA finalized non-attainment designations for certain areas in the U.S. currently exceeding the SO2 standard based on ambient monitoring data, including parts of Iowa and Wisconsin; however, IPL and WPL do not operate any EGUs in these areas. Compliance with the SO2 NAAQS rule is currently expected to be required by 2018 for non-attainment areas finalized in 2013. Non-attainment designations for the remainder of the U.S. have been delayed to allow for modeling and collection of additional monitoring data. Given that this rule remains subject to legal challenges in the D.C. Circuit Court and the EPA has not yet issued final non-attainment designations for any areas where IPL or WPL operate EGUs, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of any potential SO2 NAAQS changes on their financial condition and results of operations.

GHG Emissions - Climate change continues to be assessed by policymakers including consideration of the appropriate actions to mitigate global warming. There is continued debate regarding the public policy response that the U.S. should adopt, involving both domestic actions and international efforts. As discussed in greater detail below, the EPA currently regulates GHG emissions under the Tailoring Rule for PSD construction permits and Title V operation permits, and President Obama has issued a memorandum directing the EPA to proceed with rules to reduce CO2 emissions from new and existing fossil-fueled EGUs. Additional proposals may be considered in the future, which could reduce GHG emissions through additional renewable energy standards and/or energy efficiency requirements.

In 2009, the EPA issued a finding that GHG emissions contribute to climate change, and therefore, threaten public health and welfare. This enabled the EPA to issue rules to report and regulate GHG emissions under the authority of the CAA. The EPA Mandatory GHG Reporting rule requires sources above certain threshold levels to monitor and report emissions. The primary GHG emitted from Alliant Energy's, IPL's and WPL's utility operations is CO2 from the combustion of fossil fuels at their larger EGUs. Emissions of GHG are reported at the facility level in CO2e and include those facilities that emit 25,000 metric tons or more of CO2e annually. Annual emissions reported to the EPA for electric utility and natural gas distribution operations, in terms of total mass of CO2e, were as follows (in millions of metric tons):

	Alliant Energy		IPL		WPL	
	2012	2011	2012	2011	2012	2011
CO2e emissions (a)	25.2	26.7	10.8	12.1	14.4	14.6

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(a) CO2e emissions reported to the EPA represent all emissions from the facilities operated by IPL and WPL and do not reflect their share of co-owned facilities operated by other companies.

In 2010, the EPA issued the GHG Tailoring Rule, which establishes a GHG emission threshold for major sources under the PSD construction permit and Title V operation permit. Legal challenges to the EPA's permit authority to regulate GHG emissions under the GHG Tailoring Rule are pending review in the Supreme Court. There is no required deadline for the Supreme Court to issue a decision in this case.

In June 2013, President Obama announced plans to address climate change and issued a memorandum directing the EPA to proceed with rules to reduce CO2 emissions from new and existing fossil-fueled EGUs. In January 2014, the EPA published revised proposed NSPS for GHG emissions for new fossil-fueled EGUs, which would establish CO2 emissions limits for certain new fossil-fueled EGUs. Marshalltown is expected to be impacted by these proposed standards and would be constructed to achieve compliance with these standards. Also, WPL's potential generation investment could be impacted by these standards. A date for finalizing these standards has not yet been established.

The EPA is expected to issue proposed and final NSPS for GHG emissions for existing EGUs by June 1, 2014 and June 1, 2015, respectively, which would provide guidelines that states must follow to achieve required GHG emissions reductions. SIPs that provide details of how these guidelines are to be met would be required from state agencies by June 30, 2016. Accordingly, the implications of the EPA's NSPS for GHG emissions from new and existing EGUs remains highly uncertain. Alliant Energy, IPL and WPL are currently unable to predict with certainty the final outcome of these standards, but expect that expenditures to comply with any regulations to reduce GHG emissions could be significant.

WPL Consent Decree - Refer to Note 16(e) of the "Combined Notes to Consolidated Financial Statements" for discussion of a Consent Decree approved by the Court in June 2013 and WPL's obligations thereunder. The Consent Decree resolves an NOV issued by the EPA in 2009 and complaints filed by the Sierra Club in 2010 regarding alleged air permitting violations at Columbia, Edgewater and Nelson Dewey.

Other Air Quality Matters - IPL, the EPA, the State of Iowa and the Sierra Club are in discussions regarding CAA issues associated with IPL's Iowa operations. Alliant Energy and IPL believe that they are in compliance with the CAA. IPL is pursuing these discussions because IPL believes there is an opportunity to reach an agreement among the parties that avoids potential litigation and the long-term planning and operational uncertainty associated with such litigation. Alliant Energy and IPL believe that any agreement could contain terms similar to those seen in other EPA CAA settlements, including, among others, the installation of emission controls, the retirement or fuel switching of EGUs, compliance with specified emission rates and emission caps, beneficial environmental mitigation projects and penalties, such as those addressed by the WPL Consent Decree. Alliant Energy and IPL are currently unable to predict with certainty the outcome of these discussions and the impact on their financial condition or results of operations.

Water Quality -
Section 316(b) of Federal Clean Water Act - The Federal Clean Water Act requires the EPA to regulate cooling water intake structures to assure that these structures reflect the best technology available for minimizing adverse environmental impacts to fish and other aquatic life. In 2011, the EPA issued a revised proposed rule related to Section 316(b) of the Federal Clean Water Act. This rule applies to existing and new cooling water intake structures at certain steam generating and manufacturing facilities. IPL and WPL have identified nine (Ottumwa 1, Prairie Creek Units 3-4, Fox Lake Units 1 and 3, Lansing Unit 4, Dubuque Units 3-4, M.L. Kapp Unit 2, Burlington Unit 1, George Neal Units 3-4 and Louisa Unit 1) and three (Columbia Units 1-2, Nelson Dewey Units 1-2 and Edgewater Units 3-5) generating facilities, respectively, which may be impacted by the revised Section 316(b) Rule. A final rule is currently expected to be issued by the EPA in the first half of 2014, and compliance is currently expected to be required within

eight years of the effective date of the final rule. Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of the EPA's Section 316(b) rule on their financial condition and results of operations.

Hydroelectric Fish Passage Device - In 2002, FERC issued an order requiring WPL to install a fish passage device at its Prairie du Sac hydro plant. WPL has been working with the FWS and the Wisconsin DNR on the final design for the fish passage device. In 2012, FERC approved an updated deadline to install an agency-approved fish passage device at the facility by July 1, 2015. In January 2013, the FWS initiated an environmental study of the fish passage device under the National Environmental Policy Act, which could result in changes to the design of the fish passage device. The FWS has indicated that this environmental study will be completed in 2014, during which time WPL is expected to request an extension of the project deadline from FERC. Alliant Energy and WPL currently believe the required capital investments and/or modifications to install the currently designed fish passage device at the facility could be approximately $15 million.

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Effluent Limitation Guidelines - In June 2013, the EPA issued proposed effluent limitation guidelines, which would require changes to discharge limits for wastewater from steam generating facilities. IPL and WPL have identified eleven (Emery Units 1-3, Ottumwa Unit 1, Prairie Creek Units 3-4, Fox Lake Units 1 and 3, Lansing Unit 4, Dubuque Units 3-4, M.L. Kapp Unit 2, Burlington Unit 1, Sutherland Units 1 and 3, George Neal Units 3-4 and Louisa Unit 1) and four (Riverside Units 1-3, Columbia Units 1-2, Nelson Dewey Units 1-2 and Edgewater Units 3-5) existing steam generating facilities, respectively, that are expected to be impacted by these guidelines. In addition, Marshalltown is expected to be impacted by these guidelines. Also, WPL's potential generation investment could be impacted by these guidelines. Based on information in the proposed guidelines, IPL is currently unable to determine if Prairie Creek Unit 1 may be impacted by these guidelines. Compliance with these proposed guidelines would be required after July 1, 2017 but before July 1, 2022, depending on each facility's wastewater permit cycle for existing steam generating facilities and immediately upon operation for new steam generating facilities constructed after the issuance of the final guidelines. Given that the EPA has not yet issued final guidelines, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of these guidelines on their financial condition and results of operations, but believe the expenditures to comply with these guidelines could be significant.

Land and Solid Waste -
Coal Combustion Residuals - In 2010, the EPA issued a proposed rule considering two potential regulatory options for management of CCRs: (1) regulate as a special waste under the federal hazardous waste regulations when the CCR is destined for disposal, but continue to allow beneficial use applications of CCRs as a non-hazardous material; or (2) regulate as a non-hazardous waste for all applications subject to new national standards. These proposed regulations include additional requirements with significant impact for CCR management, beneficial use applications and disposal. IPL and WPL have nine and four current or former coal-fired EGUs, respectively, with one or more existing coal ash surface impoundments at each location. In addition, IPL and WPL each have two active CCR company-owned landfills. All of these CCR disposal units would be subject to the proposed rule currently anticipated to be finalized in 2014. The schedule for compliance with this rule has not yet been established. Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of these information collection requests, site inspections, or potential regulations for the management of CCRs, but expect that capital investments, operating expenditures and/or modifications to comply with CCR rules could be significant.

MGP Sites - Refer to Note 16(e) of the "Combined Notes to Consolidated Financial Statements" for discussion of IPL's and WPL's MGP sites.

Other - Refer to Note 16(e) of the "Combined Notes to Consolidated Financial Statements," Item 1 Business, "Strategic Overview" and "Liquidity and Capital Resources - Cash Flows - Investing Activities - Construction and Acquisition Expenditures" for further discussion of environmental matters, including discussion of specific projects and the associated estimated capital expenditures.

LEGISLATIVE MATTERS

Overview - Alliant Energy, IPL and WPL monitor various legislative developments, including those relating to energy, tax, financial and other matters. Key legislative developments impacting Alliant Energy, IPL and WPL include the following:

ATR Act - In January 2013, the ATR Act was enacted. The most significant provision of the ATR Act for Alliant Energy, IPL and WPL relates to the extension of bonus depreciation deductions for certain expenditures for property that are incurred through December 31, 2013. Based on capital projects placed into service in 2013 and projected to be placed into service 2014, Alliant Energy currently estimates its total bonus depreciation deductions to be claimed on

its U.S. federal income tax returns for calendar years 2013 and 2014 will be approximately $130 million ($70 million for IPL and $45 million for WPL) and $250 million ($100 million for IPL and $150 million for WPL), respectively.

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ALLIANT ENERGY'S RESULTS OF OPERATIONS

Overview - "Executive Summary" provides an overview of Alliant Energy's 2013 and 2012 earnings and the various components of Alliant Energy's business. Additional details of Alliant Energy's 2013, 2012 and 2011 earnings are discussed below.

Utility Electric Margins - Electric margins are defined as electric operating revenues less electric production fuel, energy purchases and purchased electric capacity expenses. Management believes that electric margins provide a more meaningful basis for evaluating utility operations than electric operating revenues since electric production fuel, energy purchases and purchased electric capacity expenses are generally passed through to customers, and therefore, result in changes to electric operating revenues that are comparable to changes in electric production fuel, energy purchases and purchased electric capacity expenses. Electric margins and MWh sales for Alliant Energy were as follows:

	Revenues and Costs (dollars in millions)					MWhs Sold (MWhs in thousands)				
	2013	2012	(a)	2011	(b)	2013	2012	(a)	2011	(b)
Residential	$1,009.1	$975.9	3%	$985.8	(1%)	7,824	7,679	2%	7,740	(1%)
Commercial	649.4	611.4	6%	612.1	—%	6,432	6,352	1%	6,253	2%
Industrial	765.4	741.8	3%	748.9	(1%)	11,471	11,555	(1%)	11,504	—%
Retail subtotal	2,423.9	2,329.1	4%	2,346.8	(1%)	25,727	25,586	1%	25,497	—%
Sales for resale:										
Wholesale	195.4	187.6	4%	189.8	(1%)	3,564	3,317	7%	3,372	(2%)
Bulk power and other	17.7	23.8	(26%)	52.2	(54%)	763	1,303	(41%)	1,757	(26%)
Other	52.0	48.8	7%	47.0	4%	152	151	1%	151	—%
Total revenues/sales	2,689.0	2,589.3	4%	2,635.8	(2%)	30,206	30,357	—%	30,777	(1%)
Electric production fuel expense	431.0	367.2	17%	428.3	(14%)					
Energy purchases expense	294.0	345.1	(15%)	336.2	3%					
Purchased electric capacity expense	216.8	271.5	(20%)	257.2	6%					
Margins (c)	$1,747.2	$1,605.5	9%	$1,614.1	(1%)					

(a) Reflects the % change from 2012 to 2013. (b) Reflects the % change from 2011 to 2012.

(c) Includes $79 million, $83 million and $61 million of credits on Iowa retail electric customers' bills for 2013, 2012 and 2011, respectively, resulting from IPL's electric tax benefit rider. IPL's electric tax benefit rider resulted in reductions in electric revenues that were offset by reductions in income tax expense for 2013, 2012 and 2011.

2013 vs. 2012 Summary - Electric margins increased $142 million, or 9%, primarily due to $60 million of higher revenues at IPL related to increases in recovery of transmission costs related to the transmission rider, $59 million of purchased electric capacity expenses at WPL during 2012 related to the Riverside PPA, $24 million of revenues at IPL in 2013 due to the revenue requirement adjustment related to certain tax benefits from tax accounting method changes, $4 million of increased revenues due to lower credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider during 2013 compared to 2012 and an increase in weather-normalized retail sales volumes at WPL. These items were partially offset by an estimated $11 million decrease in electric margins from changes in sales caused by weather conditions in Alliant Energy's service territories and $4 million of lower energy conservation revenues at IPL. The higher transmission rider revenues at IPL were offset by higher electric transmission service expenses at IPL. Changes in energy conservation revenues at IPL were mostly offset by changes in energy conservation expenses at IPL included in other operation and maintenance expenses.

2012 vs. 2011 Summary - Electric margins decreased $9 million, or 1%, primarily due to $22 million of decreased revenues due to higher credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider during 2012 compared to 2011. Other decreases to electric margins included $8 million of higher purchased electric capacity expenses at WPL related to the Kewaunee PPA, $6 million of higher purchased electric capacity expenses at IPL related to the DAEC PPA, $5 million of revenues recognized in 2011 related to interim fuel rates collected in 2010 at WPL and lower weather-normalized sales volumes at WPL. These items were partially offset by $16 million of higher revenues at IPL related to increases in recovery of transmission costs related to the transmission rider implemented in 2011, a $10 million increase in electric margins from changes in the recovery of electric production fuel and energy purchases expenses at WPL, an estimated $7 million increase in electric margins from changes in sales caused by weather conditions in Alliant Energy's service territories,

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$2 million of SO2 emission allowance charges at IPL in 2011 and an increase in weather-normalized sales volumes at IPL. The higher transmission rider revenues at IPL were offset by higher electric transmission service expenses at IPL.

Forecast - In December 2013, the IUB authorized IPL to reduce the billing credits on customers' bills by $15 million in 2014 to recognize the revenue requirement impact of the changes in tax accounting methods in Alliant Energy's and IPL's electric revenues. Refer to "Rate Matters" for additional discussion.

Weather Conditions - Alliant Energy's electric sales demand is seasonal to some extent with the annual peak normally occurring in the summer months due to air conditioning usage by its residential, commercial and wholesale customers. CDD data is used to measure the variability of temperatures during summer months and is correlated with electric sales demand. HDD data is used to measure the variability of temperatures during winter months and is correlated with both electric and gas sales demand. Refer to "Utility Gas Margins - Weather Conditions" for details regarding HDD in Alliant Energy's service territories. CDD in Alliant Energy's service territories were as follows:

	Actual			
CDD (a):	2013	2012	2011	Normal (a)
Cedar Rapids, Iowa (IPL)	884	1,052	887	740
Madison, Wisconsin (WPL)	709	1,070	814	625

(a) CDD are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical CDD.

Estimated increases to electric margins from the impacts of weather were as follows (in millions):

	2013	2012	2011
IPL	$16	$15	$16
WPL	9	21	13
Total Alliant Energy	$25	$36	$29

Electric Production Fuel and Energy Purchases (Fuel-related) Cost Recoveries - Alliant Energy burns coal and other fossil fuels to produce electricity at its EGUs. The cost of fossil fuels used during each period is included in electric production fuel expense. Alliant Energy also purchases electricity to meet the demand of its customers and charges these costs to energy purchases expense. The impact on electric margins of changes in electricity volumes generated from Alliant Energy's generating facilities was largely offset by the impact of the changes in energy volumes purchased and changes in bulk power sales volumes discussed below.

2013 vs. 2012 Summary - Alliant Energy's electric production fuel expense increased $64 million, or 17%, and energy purchases expense decreased $51 million, or 15%, in 2013. Higher MISO dispatch of WPL's generation facilities during 2013 compared to 2012 resulted in an increase in electric production fuel expense and a decrease in energy purchases expense for Alliant Energy and WPL. These changes were partially due to the Riverside PPA being terminated in conjunction with WPL's acquisition of Riverside in December 2012. Partially offsetting the decrease in energy purchases expense for Alliant Energy was an increase in energy purchases expense at IPL primarily due to higher prices for electricity purchased from wholesale energy markets (primarily MISO) in 2013.

2012 vs. 2011 Summary - Alliant Energy's electric production fuel expense decreased $61 million, or 14%, and energy purchases expense increased $9 million, or 3%, in 2012. The decrease in electric production fuel expense was largely due to lower MISO dispatch of Alliant Energy's EGUs. Alliant Energy's EGUs were dispatched at a lower level during 2012 because electricity could be purchased in the MISO market at prices that were lower than the cost to generate electricity at certain of Alliant Energy's EGUs. The increase in energy purchases expense was largely due to increased electricity purchases in the MISO market.

Due to IPL’s rate recovery mechanisms for fuel-related costs, changes in fuel-related costs resulted in comparable changes in electric revenues, and therefore, did not have a significant impact on IPL’s electric margins. WPL’s rate recovery mechanism for wholesale fuel-related costs also provides for adjustments to its wholesale electric rates for changes in commodity costs, thereby mitigating impacts of changes to commodity costs on its electric margins.

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WPL's retail fuel-related costs incurred in 2013 and 2012 were lower than the forecasted fuel-related costs used to set retail rates during such periods. WPL estimates the lower than forecasted retail fuel-related costs increased electric margins by approximately $4 million and $6 million in 2013 and 2012, respectively. WPL's retail fuel-related costs incurred in 2011 were higher than the forecasted fuel-related costs used to set retail rates during such period. WPL estimates the higher than forecasted retail fuel-related costs decreased electric margins by approximately $4 million in 2011.

Refer to "Other Matters - Market Risk Sensitive Instruments and Positions" for discussion of risks associated with increased electric production fuel and energy purchases expenses on WPL's electric margins. Refer to "Rate Matters" and Note 1(g) of the "Combined Notes to Consolidated Financial Statements" for additional information relating to recovery mechanisms for electric production fuel and energy purchases expenses.

Purchased Electric Capacity Expenses - Alliant Energy enters into PPAs to help meet the electricity demand of IPL's and WPL's customers. Certain of these PPAs include minimum payments for IPL's and WPL's rights to electric generating capacity. The Riverside PPA terminated in conjunction with WPL's acquisition of Riverside in December 2012. Details of purchased electric capacity expense included in the utility electric margins table above were as follows (in millions):

	2013	2012	2011
DAEC PPA (IPL)	$154	$152	$146
Kewaunee PPA (WPL)	61	59	51
Riverside PPA (WPL)	—	59	59
Other	2	2	1
	$217	$272	$257

Forecast - Purchased electric capacity expenses are expected to decrease significantly in 2014 compared to 2013 due to the expiration of the existing DAEC PPA in February 2014 and the expiration of the Kewaunee PPA in December 2013. Purchased electric capacity expenses from the existing DAEC PPA are estimated to be $25 million in 2014. The new DAEC PPA effective February 2014 does not contain minimum payments for electric generating capacity.

Sales Trends - Retail sales volumes increased 1% in 2013 and were relatively flat in 2012. The 2013 increase was due to increases in weather-normalized retail sales volumes primarily at WPL related to economic recovery and modest customer growth experienced in WPL's service territory. These increases were partially offset by the unseasonably warm weather conditions during the third quarter of 2012 and a decrease in industrial sales volumes at IPL in 2013 due to lower co-generation customer requirements.

Wholesale sales volumes increased 7% and decreased 2% in 2013 and 2012, respectively, primarily due to the impact of changes in sales to WPL's partial-requirement wholesale customers that have contractual options to be served by WPL, other power supply sources or the MISO market.

Bulk power and other revenue changes were largely due to changes in sales in the wholesale energy markets operated by MISO and PJM. These changes are impacted by several factors including the availability of Alliant Energy's EGUs and electricity demand within these wholesale energy markets. Changes in bulk power and other sales revenues were largely offset by changes in fuel-related costs, and therefore, did not have a significant impact on electric margins.

Forecast - IPL currently expects a 1%-2% increase in weather-normalized retail electric sales in 2014 compared to 2013. WPL currently expects weather-normalized retail electric sales to be relatively flat in 2014 compared to 2013.

Refer to "Rate Matters" for discussion of potential future retail electric base rate case filings by IPL and WPL in 2014. Refer to Note 2 of the "Combined Notes to Consolidated Financial Statements" for discussion of IPL's revenue requirement adjustment, which became effective in January 2013, and WPL retail rate cases, including a retail electric base rate freeze at WPL through the end of 2014 and WPL's retail fuel-related rate increase effective January 1, 2014. Refer to "Other Future Considerations" for discussion of litigation related to a renewable power developer seeking to distribute energy in IPL's service territory, which may impact IPL's future electric sales.

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Utility Gas Margins - Gas margins are defined as gas operating revenues less cost of gas sold. Management believes that gas margins provide a more meaningful basis for evaluating utility operations than gas operating revenues since cost of gas sold is generally passed through to customers, and therefore, results in changes to gas operating revenues that are comparable to changes in cost of gas sold. Gas margins and Dth sales for Alliant Energy were as follows:

	Revenues and Costs (dollars in millions)					Dths Sold (Dths in thousands)				
	2013	2012	(a)	2011	(b)	2013	2012	(a)	2011	(b)
Residential	$262.5	$224.3	17%	$269.7	(17%)	29,916	23,071	30%	26,891	(14%)
Commercial	150.3	124.3	21%	155.1	(20%)	21,892	17,115	28%	19,271	(11%)
Industrial	21.1	16.7	26%	24.5	(32%)	3,803	3,068	24%	3,848	(20%)
Retail subtotal	433.9	365.3	19%	449.3	(19%)	55,611	43,254	29%	50,010	(14%)
Transportation/other	30.9	31.0	—%	27.4	13%	60,261	57,532	5%	52,210	10%
Total revenues/sales	464.8	396.3	17%	476.7	(17%)	115,872	100,786	15%	102,220	(1%)
Cost of gas sold	276.7	217.2	27%	295.2	(26%)					
Margins (c)	$188.1	$179.1	5%	$181.5	(1%)					

(a) Reflects the % change from 2012 to 2013. (b) Reflects the % change from 2011 to 2012. Includes $11 million of credits on Iowa retail gas customers' bills for 2013 resulting from IPL's gas tax benefit rider.
(c) IPL's gas tax benefit rider resulted in reductions in gas revenues that were offset by reductions in income tax expense for 2013.

2013 vs. 2012 Summary - Gas margins increased $9 million, or 5%, primarily due to an estimated $19 million increase in gas margins from changes in sales caused by weather conditions in Alliant Energy's service territories, $6 million of higher revenues due to the impact of IPL's retail gas base rate increase effective in January 2013, $5 million of higher energy conservation revenues at IPL and an increase in weather-normalized retail sales volumes primarily at WPL. Alliant Energy believes the increase in weather-normalized sales volumes is partially due to relatively low natural gas rates and higher gas volumes required by agricultural customers to dry grain in 2013. These items were partially offset by $15 million of lower revenues due to the impact of WPL's retail gas base rate decrease effective in January 2013 and $11 million of decreased revenues during 2013 due to credits on Iowa retail gas customers' bills resulting from the gas tax benefit rider at IPL. Changes in energy conservation revenues at IPL were mostly offset by changes in energy conservation expenses at IPL included in other operation and maintenance expenses.

2012 vs. 2011 Summary - Gas margins decreased $2 million, or 1%, in 2012 largely due to an estimated $13 million decrease in gas margins from changes in sales caused by weather conditions in Alliant Energy's service territories. This item was partially offset by an increase in weather-normalized sales volumes at WPL and $5 million of higher gas revenues due to the impact of an interim retail gas base rate increase effective in June 2012 at IPL. Alliant Energy believes the increase in weather-normalized sales volumes is partially due to relatively low natural gas rates.

Natural Gas Cost Recoveries - In 2013 and 2012, Alliant Energy's cost of gas sold increased $60 million, or 27%, and decreased $78 million, or 26%, respectively. The 2013 increase was primarily due to higher retail gas volumes caused by weather discussed below and higher gas volumes required by agricultural customers to dry grain in 2013. The 2012 decrease was primarily due to a decrease in natural gas prices and lower retail gas volumes caused by weather discussed below. Due to Alliant Energy's rate recovery mechanisms for natural gas costs, these changes in cost of gas sold resulted in comparable changes in gas revenues, and therefore, did not have a significant impact on gas margins. Refer to Note 1(g) of the "Combined Notes to Consolidated Financial Statements" for additional information relating to natural gas cost recoveries.

Weather Conditions - Alliant Energy's gas sales demand follows a seasonal pattern with an annual base load of gas and a large heating peak occurring during the winter season. HDD data is used to measure the variability of temperatures

during winter months and is correlated with gas sales demand. HDD in Alliant Energy's service territories were as follows:

	Actual			
HDD (a):	2013	2012	2011	Normal (a)
Cedar Rapids, Iowa (IPL)	7,232	5,901	6,745	6,794
Madison, Wisconsin (WPL)	7,627	5,964	6,992	7,089

(a) HDD are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical HDD.

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Estimated increases (decreases) to gas margins from the impacts of weather were as follows (in millions):

	2013	2012	2011
IPL	$3	($6)	$—
WPL	3	(7)	—
Total Alliant Energy	$6	($13)	$—

Refer to "Rate Matters" for discussion of IPL's gas tax benefit rider and retail rate cases, including an interim retail gas base rate increase effective June 2012 and final retail gas base rate increase effective January 2013 for IPL's Iowa customers, a retail gas base rate decrease for WPL's customers effective January 2013 and a potential future retail gas base rate case filing by WPL in 2014.

Utility Other Revenues -
2013 vs. 2012 Summary - Other revenues for the utilities increased $15 million in 2013 primarily due to $7 million of higher coal sales at WPL and $6 million of capacity revenues recognized by WPL during 2013. WPL recognized capacity revenues in 2013 related to a PPA with a third party for the sale of a portion of Riverside's capacity assumed by WPL with the acquisition of Riverside in December 2012. The PPA expires in May 2014. Changes in utility other revenues were largely offset by related changes in utility other operation and maintenance expenses.

Electric Transmission Service Expenses -
2013 vs. 2012 Summary - Alliant Energy's electric transmission service expense for the utilities increased $77 million in 2013 primarily due to $41 million of higher electric transmission service costs from ITC and MISO billed to IPL during 2013 compared to 2012 primarily due to an increase in transmission service rates, $22 million of changes in the under-/over-collection of electric transmission service expenses through the transmission cost rider at IPL and $11 million of higher electric transmission service costs from ATC and MISO billed to WPL during 2013 compared to 2012 primarily due to increases in transmission service rates. IPL is currently recovering the Iowa retail portion of its increased electric transmission service costs from its retail electric customers in Iowa through a transmission cost rider approved by the IUB in January 2011 resulting in an offsetting increase in electric revenues.

2012 vs. 2011 Summary - Alliant Energy's electric transmission service expense for the utilities increased $18 million in 2012 primarily due to changes in transmission costs at IPL related to transmission services from ITC. The increase was primarily due to $10 million of higher electric transmission service costs billed by ITC to IPL during 2012 compared to 2011 due to a modest increase in transmission service rates, and the impact of IPL utilizing regulatory liabilities to credit a portion of the electric transmission service costs billed to IPL by ITC during 2011.

Forecast - Refer to "Other Future Considerations" for discussion of potential increases in future electric transmission services expenses for IPL and WPL.

Refer to "Rate Matters" for additional discussion of the transmission rider approved by the IUB in January 2011. Refer to Notes 1(g) and 2 of the "Combined Notes to Consolidated Financial Statements" for additional information relating to recovery of electric transmission service expenses.

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Utility Other Operation and Maintenance Expenses - Alliant Energy's other operation and maintenance expenses for the utilities increased $31 million and decreased $40 million for 2013 and 2012, respectively, due to the following reasons (amounts represent variances between periods in millions):

2013 vs. 2012 Summary:	Alliant Energy	IPL	WPL
Higher generation expenses (a)	$16	$3	$13
Higher performance-based compensation expenses (b)	11	6	5
Higher distribution system expenses (c)	10	6	4
Higher expenses related to coal sales at WPL (d)	7	—	7
Higher bad debt expense at IPL (e)	6	6	—
Regulatory-related credits from WPL's 2013/2014 rate case decision recorded in 2012 (f)	5	—	5
Higher cost of capital charges from Corporate Services (g)	5	3	2
Contract amortization expenses at WPL in 2013 (h)	5	—	5
Lower energy conservation cost recovery amortizations at WPL (i)	(20)	—	(20)
Regulatory-related credit from IPL's Minnesota decision regarding Whispering Willow - East recorded in 2013 (j)	(7)	(7)	—
Contract cancellation charge at IPL in 2012 (k)	(3)	(3)	—
Other	(4)	(2)	(3)
	$31	$12	$18

2012 vs. 2011 Summary:	Alliant Energy	IPL	WPL
Regulatory-related (charges) and credits from IPL's Minnesota electric rate case order recorded in 2011 (f)	($11)	($11)	$—
Lower generation expenses at IPL (a)	(10)	(10)	—
Additional benefits costs for Cash Balance Plan amendment in 2011 (l)	(10)	(6)	(4)
Regulatory asset impairments in 2011 (m)	(9)	(2)	(7)
Regulatory-related credits from WPL's 2013/2014 rate case decision recorded in 2012 (f)	(5)	—	(5)
Wind site impairment charge at WPL in 2011 (n)	(5)	—	(5)
SO2 emission allowance charge allocated to IPL's steam business in 2011 (o)	(2)	(2)	—
Cost of capital charges from Corporate Services in 2012 (g)	9	5	4
Contract cancellation charge at IPL in 2012 (k)	3	3	—
Other	—	(2)	2
	($40)	($25)	($15)

(a) Resulting from the timing of maintenance projects at IPL's and WPL's EGUs and additional operation and maintenance expenses related to Riverside, which was acquired in December 2012.

(b) Performance-based compensation expenses are largely based on the achievement of specific operational and financial performance measures compared to targets established within the performance-based compensation plans.

(c) Primarily due to increased maintenance of the electric and gas distribution systems at IPL and WPL.

(d) Changes in expenses related to coal sales at WPL were largely offset by changes in coal sales revenue at WPL.

(e) Higher bad debt expense at IPL was largely due to increases in past due accounts receivable during 2013.

(f) Refer to Notes 2 and 3(a) of the "Combined Notes to Consolidated Financial Statements" for details of regulatory-related charges and credits recognized by Alliant Energy, IPL and WPL in 2011 and 2012.

(g) Cost of capital charges by Corporate Services to IPL and WPL in accordance with a new service agreement implemented during 2012. The 2013 increase was primarily due to increased property additions at Corporate Services in 2013.

(h) Resulting from the amortization of capacity rights related to a PPA with a third party for the sale of a portion of Riverside's capacity WPL assumed with the acquisition of Riverside. The PPA expires in May 2014. These amortization expenses were largely offset by capacity revenues included in utility other revenues.

(i) The July 2012 PSCW order for WPL's 2013/2014 test period electric and gas base rate case authorized lower energy conservation cost recovery amortizations for 2013. Regulatory amortizations at WPL related to energy conservation costs were $22 million, $42 million and $42 million for 2013, 2012 and 2011, respectively.

(j) Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for details of a regulatory-related credit recorded by IPL in 2013 due to decisions by the MPUC regarding recovery of costs for IPL's Whispering Willow - East wind project.

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(k) Due to the cancellation of a services agreement at one of IPL's EGUs in 2012.

(l) Refer to Notes 12(a) and 16(c) of the "Combined Notes to Consolidated Financial Statements" for details of the additional benefit costs incurred by Alliant Energy, IPL and WPL in 2011 resulting from an amendment to the Cash Balance Plan and details of the Cash Balance Plan lawsuit.

(m) Refer to Note 2 of the "Combined Notes to Consolidated Financial Statements" for details of regulatory asset impairments incurred by Alliant Energy, IPL and WPL in 2011.

(n) Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for details of the wind site impairment charge recorded by Alliant Energy and WPL in 2011.

(o) Refer to Note 2 of the "Combined Notes to Consolidated Financial Statements" for details of the SO2 emission allowance charges recorded by Alliant Energy and IPL in 2011.

Forecast - Alliant Energy currently expects its other operation and maintenance expenses to increase in 2014 compared to 2013 primarily due to increases in regulatory amortizations at WPL related to energy conservation costs approved by the PSCW in a July 2012 order. Regulatory amortizations at WPL related to energy conservation costs are expected to be $42 million for 2014 compared to $22 million for 2013. This item is expected to be partially offset by decreases in retirement plan costs in 2014 compared to 2013, resulting from increases in discount rates and higher than expected returns on retirement plan assets in 2013.

Depreciation and Amortization Expenses -
2013 vs. 2012 Summary - Depreciation and amortization expenses increased $39 million in 2013 primarily due to depreciation expense at WPL related to Riverside, WPL's SCR project at Edgewater Unit 5, which was placed in service in the fourth quarter of 2012, new depreciation rates implemented by WPL effective January 2013, and depreciation expense at the Franklin County wind project, which was placed in service in the fourth quarter of 2012.

2012 vs. 2011 Summary - Depreciation and amortization expenses increased $11 million in 2012 primarily due to higher depreciation rates at IPL effective January 1, 2012 resulting from IPL's most recent depreciation study, and property additions at IPL and WPL. These items were partially offset by the impact of regulatory-related charges and credits to depreciation expense in 2012 compared to 2011 at WPL.

Forecast - Alliant Energy currently expects its depreciation and amortization expenses to increase in 2014 compared to 2013 due to property additions, including various emission controls projects at IPL and WPL placed in service in 2013 and expected to be placed in service in 2014.

Interest Expense -
2013 vs. 2012 Summary - Alliant Energy's interest expense increased $16 million in 2013 primarily due to $6 million of capitalized interest recognized in 2012 for the Franklin County wind project, $5 million of higher interest expense recorded in 2013 compared to 2012 for WPL's 2.25% debentures issued in November 2012 to fund a portion of the purchase price of Riverside and $3 million of interest expense recorded in 2013 for IPL's 4.7% senior debentures issued in October 2013.

2012 vs. 2011 Summary - Alliant Energy's interest expense decreased $2 million in 2012 primarily due to $3 million of higher capitalized interest recognized in 2012 compared to 2011 for the Franklin County wind project.

Forecast - Alliant Energy currently expects its interest expense to increase in 2014 compared to 2013 due to financings in 2013 and 2014 to fund capital expenditures for emission controls projects. Refer to "Liquidity and Capital Resources" for details of Alliant Energy's financing forecast.

Refer to Note 9 of the "Combined Notes to Consolidated Financial Statements" for additional details of debt.

AFUDC - Alliant Energy's AFUDC increased $9 million and $10 million for 2013 and 2012, respectively, primarily due to changes in AFUDC recognized for IPL's and WPL's emission controls projects. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for details of AFUDC recognized in 2013, 2012 and 2011.

Forecast - Alliant Energy currently expects AFUDC to increase in 2014 compared to 2013 primarily due to increased CWIP balances related to the construction of Marshalltown and emission controls projects at IPL's Ottumwa Unit 1.

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Income Taxes - Refer to Note 11 of the "Combined Notes to Consolidated Financial Statements" for details of Alliant Energy's effective income tax rates for continuing operations, including discussion of IPL's tax benefit riders, production tax credits, the effect of rate-making on property-related differences, state apportionment changes and Wisconsin tax legislation enacted in 2011.

Forecast - Alliant Energy currently expects its effective income tax rate to increase in 2014 compared to 2013 due to anticipated lower tax benefits for the effect of rate-making on property-related differences. Refer to "Rate Matters" for discussion of the authorization IPL received from the IUB in December 2013 related to credits on Iowa retail electric customers' bills associated with the electric tax benefit rider for 2014.

Loss from Discontinued Operations, Net of Tax - RMT's net loss in 2011 was largely driven by losses associated with certain large solar projects. Schedule delays, abandonment of work by the original subcontractor and the need to hire additional subcontractors to complete the solar projects in a timely manner resulted in significant additional costs for RMT in 2011. Refer to Note 19 of the "Combined Notes to Consolidated Financial Statements" for additional discussion of Alliant Energy's discontinued operations.

Preferred Dividend Requirements of Subsidiaries -
2013 vs. 2012 Summary - Preferred dividend requirements of subsidiaries increased $2 million in 2013 primarily due to IPL and WPL recording charges of $5 million and $1 million in 2013, respectively, related to the redemption of preferred stock. Refer to Note 8 of the "Combined Notes to Consolidated Financial Statements" for additional discussion of IPL's and WPL's preferred stock transactions.

2012 vs. 2011 Summary - Preferred dividend requirements of subsidiaries decreased $2 million in 2012 primarily due to a $2 million charge related to IPL's redemption of its 7.10% cumulative preferred stock in 2011.

IPL'S RESULTS OF OPERATIONS

Overview - Earnings available for common stock increased $36 million and $13 million in 2013 and 2012, respectively. The 2013 increase was primarily due to higher electric revenues from the revenue requirement adjustment related to certain tax benefits from tax accounting method changes, which became effective in January 2013, higher AFUDC in 2013 for IPL's emission controls projects, a lower effective income tax rate and higher gas revenues from increased sales and a rate increase implemented in January 2013. These items were partially offset by higher other operation and maintenance expenses. The 2012 increase was primarily due to regulatory-related charges and credits from the Minnesota 2009 test year base rate case recorded in 2011, a lower effective income tax rate and lower generation operation and maintenance expenses. These items were partially offset by higher depreciation and amortization expenses due to higher depreciation rates effective January 1, 2012, decreases in electric and gas margins from lower sales caused by weather conditions in 2012 and higher purchased electric capacity expenses related to the DAEC PPA.

Electric Margins - Electric margins are defined as electric operating revenues less electric production fuel, energy purchases and purchased electric capacity expenses. Management believes that electric margins provide a more meaningful basis for evaluating utility operations than electric operating revenues since electric production fuel, energy purchases and purchased electric capacity expenses are generally passed through to customers, and therefore, result in changes to electric operating revenues that are comparable to changes in electric production fuel, energy purchases and purchased electric capacity expenses. Electric margins and MWh sales for IPL were as follows:

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	Revenues and Costs (dollars in millions)					MWhs Sold (MWhs in thousands)				
	2013	2012	(a)	2011	(b)	2013	2012	(a)	2011	(b)
Residential	$574.3	$529.9	8%	$543.2	(2%)	4,272	4,141	3%	4,223	(2%)
Commercial	409.6	365.3	12%	366.0	—%	4,118	4,045	2%	3,953	2%
Industrial	442.9	408.0	9%	415.4	(2%)	6,973	7,116	(2%)	7,080	1%
Retail subtotal	1,426.8	1,303.2	9%	1,324.6	(2%)	15,363	15,302	—%	15,256	—%
Sales for resale:										
Wholesale	30.0	27.8	8%	29.6	(6%)	419	418	—%	417	—%
Bulk power and other	2.0	9.5	(79%)	24.6	(61%)	98	377	(74%)	729	(48%)
Other	33.0	30.6	8%	29.5	4%	80	81	(1%)	84	(4%)
Total revenues/sales	1,491.8	1,371.1	9%	1,408.3	(3%)	15,960	16,178	(1%)	16,486	(2%)
Electric production fuel expense	193.9	193.8	—%	230.9	(16%)					
Energy purchases expense	188.2	150.7	25%	152.2	(1%)					
Purchased electric capacity expense	155.2	153.7	1%	147.7	4%					
Margins (c)	$954.5	$872.9	9%	$877.5	(1%)					

(a) Reflects the % change from 2012 to 2013. (b) Reflects the % change from 2011 to 2012.

(c) Includes $79 million, $83 million and $61 million of credits on Iowa retail electric customers' bills for 2013, 2012 and 2011, respectively, resulting from the electric tax benefit rider. The electric tax benefit rider resulted in reductions in electric revenues that were offset by reductions in income tax expense for 2013, 2012 and 2011.

2013 vs. 2012 Summary - Electric margins increased $82 million, or 9%, primarily due to $60 million of higher revenues related to increases in recovery of transmission costs related to the transmission rider, $24 million of revenues during 2013 due to the revenue requirement adjustment related to certain tax benefits from tax accounting method changes and $4 million of increased revenues due to lower credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider during 2013 compared to 2012. These items were partially offset by $4 million of lower energy conservation revenues. Changes in energy conservation revenues were mostly offset by changes in energy conservation expenses included in other operation and maintenance expenses. The higher transmission rider revenues were offset by higher electric transmission service expenses.

2012 vs. 2011 Summary - Electric margins decreased $5 million, or 1%, primarily due to $22 million of decreased revenues during 2012 due to additional credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider. Other decreases to electric margins included $6 million of higher purchased electric capacity expenses related to the DAEC PPA. These items were partially offset by $16 million of higher revenues from increases in recovery of transmission costs related to the transmission rider implemented in 2011, $2 million of SO2 emission allowance charges in 2011 and an increase in weather-normalized retail sales volumes. The higher transmission rider revenues were offset by higher electric transmission service expenses.

Refer to "Alliant Energy's Results of Operations - Utility Electric Margins" for details of IPL's CDD and HDD data, estimated impacts of weather, purchased electric capacity expenses, recoveries of electric production fuel and energy purchases expenses, sales trends and items impacting IPL's electric margin forecast. Refer to "Rate Matters" for discussion of IPL's retail electric rate increases from its Iowa and Minnesota test year base rate cases, IPL's electric tax benefit rider and a potential future IPL retail electric base rate case filing in 2014. Refer to "Other Future Considerations" for discussion of expected increased recoveries under the transmission rider related to expected increases in electric transmission service expenses.

Gas Margins - Gas margins are defined as gas operating revenues less cost of gas sold. Management believes that gas margins provide a more meaningful basis for evaluating utility operations than gas operating revenues since cost of gas sold is generally passed through to customers, and therefore, results in changes to gas operating revenues that are comparable to changes in cost of gas sold. Gas margins and Dth sales for IPL were as follows:

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	Revenues and Costs (dollars in millions)					Dths Sold (Dths in thousands)				
	2013	2012	(a)	2011	(b)	2013	2012	(a)	2011	(b)
Residential	$152.8	$126.4	21%	$155.2	(19%)	16,975	12,955	31%	15,660	(17%)
Commercial	85.7	69.7	23%	87.8	(21%)	12,051	9,403	28%	10,677	(12%)
Industrial	16.1	12.8	26%	19.0	(33%)	2,931	2,435	20%	3,023	(19%)
Retail subtotal	254.6	208.9	22%	262.0	(20%)	31,957	24,793	29%	29,360	(16%)
Transportation/other	19.3	17.8	8%	14.3	24%	32,019	30,992	3%	27,720	12%
Total revenues/sales	273.9	226.7	21%	276.3	(18%)	63,976	55,785	15%	57,080	(2%)
Cost of gas sold	160.3	124.9	28%	175.6	(29%)					
Margins (c)	$113.6	$101.8	12%	$100.7	1%					

(a) Reflects the % change from 2012 to 2013. (b) Reflects the % change from 2011 to 2012. Includes $11 million of credits on Iowa retail gas customers' bills for 2013 resulting from the gas tax benefit rider.
(c) The gas tax benefit rider resulted in reductions in gas revenues that were offset by reductions in income tax expense for 2013.

2013 vs. 2012 Summary - Gas margins increased $12 million, or 12%, largely due to an estimated $9 million increase in gas margins from changes in sales caused by weather conditions in IPL's service territory, $6 million of higher revenues due to the impact of IPL's retail gas base rate increase effective in January 2013 and $5 million of higher energy conservation revenues. Changes in energy conservation revenues were mostly offset by changes in energy conservation expenses in other operation and maintenance expenses. These items were partially offset by $11 million of decreased revenues during 2013 due to credits on Iowa retail gas customers' bills resulting from the gas tax benefit rider.

2012 vs. 2011 Summary - Gas margins increased $1 million, or 1%, in 2012 largely due to $5 million of higher gas revenues due to the impact of an interim retail gas base rate increase effective June 2012. This item was offset by an estimated $6 million decrease in gas margins from changes in sales caused by weather conditions in IPL's service territory.

Refer to "Alliant Energy's Results of Operations - Utility Gas Margins" for details of IPL's HDD data, estimated impacts of weather and discussion of the impacts on IPL's gas margins of recoveries of natural gas costs. Refer to "Rate Matters" for discussion of an interim retail gas base rate increase effective June 2012 and final retail gas base rate increase effective January 2013 for IPL's Iowa customers and IPL's gas tax benefit rider.

Electric Transmission Service Expenses -
2013 vs. 2012 Summary - Electric transmission service expense increased $66 million in 2013 primarily due to $41 million of higher electric transmission service costs from ITC and MISO billed to IPL in 2013 compared to 2012 primarily due to an increase in transmission service rates and $22 million of changes in the under-/over-collection of electric transmission service expenses through the transmission cost rider. IPL is currently recovering the Iowa retail portion of these increased electric transmission service costs from its retail electric customers in Iowa through a transmission cost rider approved by the IUB in January 2011 resulting in an offsetting increase in electric revenues.

2012 vs. 2011 Summary - Electric transmission service expense increased $16 million in 2012 primarily due to changes in transmission costs related to transmission services from ITC. The increase was primarily due to $10 million of higher electric transmission service costs billed by ITC to IPL during 2012 compared to 2011 due to a modest increase in transmission service rates, and the impact of IPL utilizing regulatory liabilities to credit a portion of the transmission service expenses billed to IPL by ITC during 2011.

Forecast - Refer to "Other Future Considerations" for discussion of potential increases in future electric transmission services expenses for IPL.

Refer to "Rate Matters" for additional discussion of the transmission rider approved by the IUB in January 2011. Refer to Notes 1(g) and 2 of the "Combined Notes to Consolidated Financial Statements" for additional information relating to recovery of electric transmission service expenses.

Other Operation and Maintenance Expenses - Other operation and maintenance expenses increased $12 million and decreased $25 million in 2013 and 2012, respectively. Refer to "Alliant Energy's Results of Operations - Utility Other Operation and Maintenance Expenses" for details of the changes in IPL's other operation and maintenance expenses.

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Forecast - IPL currently expects its other operation and maintenance expenses to decrease in 2014 compared to 2013 due to decreases in retirement plan costs in 2014 compared to 2013, resulting from increases in discount rates and higher than expected returns on retirement plan assets in 2013.

Depreciation and Amortization Expenses -
2012 vs. 2011 Summary - Depreciation and amortization expenses increased $10 million in 2012 primarily due to higher depreciation rates effective in January 2012 resulting from IPL's most recent depreciation study, and property additions.

Forecast - IPL currently expects its depreciation and amortization expenses to increase in 2014 compared to 2013 due to property additions, including various emission controls projects placed in service in 2013 and expected to be placed in service in 2014.

Interest Expense -
2013 vs. 2012 Summary - Interest expense increased $3 million in 2013 primarily due to $3 million of interest expense recorded in 2013 for IPL's 4.7% senior debentures issued in October 2013.

Forecast - IPL currently expects its interest expense to increase in 2014 compared to 2013 due to financings in 2013 and 2014 to fund capital expenditures for emission controls projects. Refer to "Liquidity and Capital Resources" for details of IPL's financing forecast.

Refer to Note 9 of the "Combined Notes to Consolidated Financial Statements" for additional details of IPL's debt.

AFUDC - AFUDC increased $13 million and $3 million in 2013 and 2012, respectively, primarily due to changes in AFUDC recognized for emission controls projects. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for details of AFUDC recognized in 2013, 2012 and 2011.

Forecast - IPL currently expects AFUDC to increase in 2014 compared to 2013 primarily due to increased CWIP balances related to its construction of Marshalltown and emission controls projects at Ottumwa Unit 1.

Income Taxes - Refer to Note 11 of the "Combined Notes to Consolidated Financial Statements" for details of IPL's effective income tax rates, including discussion of the tax benefit riders, production tax credits, effect of rate-making on property-related differences and state apportionment changes.

Forecast - IPL currently expects its effective income tax rate to increase in 2014 compared to 2013 due to anticipated lower tax benefits for the effect of rate-making on property-related differences. Refer to "Rate Matters" for discussion of the authorization IPL received from the IUB in December 2013 related to credits on Iowa retail electric customers' bills associated with the electric tax benefit rider for 2014.

Preferred Dividend Requirements -
2013 vs. 2012 Summary - Preferred dividend requirements increased $4 million in 2013 primarily due to IPL recording charges of $5 million related to the redemption of preferred stock in 2013. Refer to Note 8 of the "Combined Notes to Consolidated Financial Statements" for additional discussion of IPL's preferred stock transactions.

2012 vs. 2011 Summary - Preferred dividend requirements decreased $2 million in 2012 primarily due to a $2 million charge related to IPL's redemption of its 7.10% cumulative preferred stock in 2011.

WPL'S RESULTS OF OPERATIONS

Overview - WPL’s earnings available for common stock increased $14 million and $2 million in 2013 and 2012, respectively. The 2013 increase was primarily due to purchased electric capacity expense related to the Riverside PPA in 2012, lower energy conservation cost recovery amortizations and a lower effective tax rate. These items were partially offset by higher depreciation expense largely due to the purchase of Riverside in December 2012, lower gas revenues due to the impact of WPL’s retail gas base rate decrease effective in January 2013, higher electric transmission service costs from ATC and MISO and higher other operation and maintenance expenses. The 2012 increase was primarily due to various asset impairment charges in 2011, higher retail fuel-related cost recoveries and higher AFUDC recognized in 2012 for WPL’s emission controls projects. These items were partially offset by higher purchased electric capacity expenses related to the Kewaunee PPA and a state apportionment charge in 2012.

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Electric Margins - Electric margins are defined as electric operating revenues less electric production fuel, energy purchases and purchased electric capacity expenses. Management believes that electric margins provide a more meaningful basis for evaluating utility operations than electric operating revenues since electric production fuel, energy purchases and purchased electric capacity expenses are generally passed through to customers, and therefore, result in changes to electric operating revenues that are comparable to changes in electric production fuel, energy purchases and purchased electric capacity expenses. Electric margins and MWh sales for WPL were as follows:

	Revenues and Costs (dollars in millions)					MWhs Sold (MWhs in thousands)				
	2013	2012	(a)	2011	(b)	2013	2012	(a)	2011	(b)
Residential	$434.8	$446.0	(3%)	$442.6	1%	3,552	3,538	—%	3,517	1%
Commercial	239.8	246.1	(3%)	246.1	—%	2,314	2,307	—%	2,300	—%
Industrial	322.5	333.8	(3%)	333.5	—%	4,498	4,439	1%	4,424	—%
Retail subtotal	997.1	1,025.9	(3%)	1,022.2	—%	10,364	10,284	1%	10,241	—%
Sales for resale:										
Wholesale	165.4	159.8	4%	160.2	—%	3,145	2,899	8%	2,955	(2%)
Bulk power and other	15.7	14.3	10%	27.6	(48%)	665	926	(28%)	1,028	(10%)
Other	19.0	18.2	4%	17.5	4%	72	70	3%	67	4%
Total revenues/sales	1,197.2	1,218.2	(2%)	1,227.5	(1%)	14,246	14,179	—%	14,291	(1%)
Electric production fuel expense	237.1	173.4	37%	197.4	(12%)					
Energy purchases expense	105.8	194.4	(46%)	184.0	6%					
Purchased electric capacity expense	61.6	117.8	(48%)	109.5	8%					
Margins	$792.7	$732.6	8%	$736.6	(1%)					

(a) Reflects the % change from 2012 to 2013. (b) Reflects the % change from 2011 to 2012.

2013 vs. 2012 Summary - Electric margins increased $60 million, or 8%, primarily due to $59 million of purchased electric capacity expenses related to the Riverside PPA in 2012 and an increase in weather-normalized retail sales volumes. These items were partially offset by an estimated $12 million decrease in electric margins from changes in sales caused by weather conditions in WPL's service territory.

2012 vs. 2011 Summary - Electric margins decreased $4 million, or 1%, primarily due to $8 million of higher purchased electric capacity expenses related to the Kewaunee PPA in 2012 compared to 2011, $5 million of revenues recognized in 2011 related to interim fuel rates collected in 2010 and a decrease in weather-normalized sales volumes. These items were partially offset by a $10 million increase in electric margins from changes in the recovery of electric production fuel and energy purchases expenses and an estimated $8 million increase in electric margins from changes in sales caused by weather conditions in WPL's service territory.

Refer to "Alliant Energy's Results of Operations - Utility Electric Margins" for details of WPL's CDD and HDD data, estimated impacts of weather, purchased electric capacity expenses, recoveries of electric production fuel and energy purchases expenses, sales trends and items impacting WPL's electric margin forecast. Refer to "Rate Matters" for discussion of retail rate cases, including a retail electric base rate freeze through December 31, 2014 and a potential future retail electric base rate case filing in 2014.

Gas Margins - Gas margins are defined as gas operating revenues less cost of gas sold. Management believes that gas margins provide a more meaningful basis for evaluating utility operations than gas operating revenues since cost of gas sold is generally passed through to customers, and therefore, results in changes to gas operating revenues that are

comparable to changes in cost of gas sold. Gas margins and Dth sales for WPL were as follows:

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	Revenues and Costs (dollars in millions)					Dths Sold (Dths in thousands)				
	2013	2012	(a)	2011	(b)	2013	2012	(a)	2011	(b)
Residential	$109.7	$97.9	12%	$114.5	(14%)	12,941	10,116	28%	11,231	(10%)
Commercial	64.6	54.6	18%	67.3	(19%)	9,841	7,712	28%	8,594	(10%)
Industrial	5.0	3.9	28%	5.5	(29%)	872	633	38%	825	(23%)
Retail subtotal	179.3	156.4	15%	187.3	(16%)	23,654	18,461	28%	20,650	(11%)
Transportation/other	11.6	13.2	(12%)	13.1	1%	28,242	26,540	6%	24,490	8%
Total revenues/sales	190.9	169.6	13%	200.4	(15%)	51,896	45,001	15%	45,140	—%
Cost of gas sold	116.4	92.3	26%	119.6	(23%)					
Margins	$74.5	$77.3	(4%)	$80.8	(4%)					

(a) Reflects the % change from 2012 to 2013. (b) Reflects the % change from 2011 to 2012.

2013 vs. 2012 Summary - Gas margins decreased $3 million, or 4%, largely due to $15 million of lower revenues due to the impact of WPL's retail gas base rate decrease effective in January 2013. This item was partially offset by an estimated $10 million increase in gas margins from changes in sales caused by weather conditions in WPL's service territory and an increase in weather-normalized retail sales volumes. WPL believes the increase in weather-normalized sales volumes is partially due to relatively low natural gas rates and higher gas volumes required by agricultural customers to dry grain in 2013.

2012 vs. 2011 Summary - Gas margins decreased $4 million, or 4%, in 2012 largely due to an estimated $7 million decrease in gas margins from changes in sales caused by weather conditions in WPL's service territory. This item was partially offset by an increase in weather normalized sales volumes. WPL believes the increase in weather-normalized sales volumes is partially due to relatively low natural gas rates.

Refer to "Alliant Energy's Results of Operations - Utility Gas Margins" for WPL's HDD data, estimated weather impacts and discussion of the impacts on WPL's gas margins of recoveries of natural gas costs. Refer to "Rate Matters" for discussion of retail rate cases, including a retail gas base rate decrease effective January 2013 and a potential future retail gas base rate case filing in 2014.

Other Revenues -
2013 vs. 2012 Summary - Other revenues increased $14 million in 2013 primarily due to $7 million of higher coal sales and $6 million of capacity revenues recognized during 2013. WPL recognized capacity revenues in 2013 related to a PPA with a third party for the sale of a portion of Riverside's capacity assumed by WPL with the acquisition of Riverside in December 2012. The PPA expires in May 2014. Changes in other revenues were largely offset by related changes in other operation and maintenance expenses.

Electric Transmission Service Expenses -
2013 vs. 2012 Summary - Electric transmission service expense increased $11 million in 2013 primarily due to $11 million of higher electric transmission service costs from ATC and MISO billed to WPL in 2013 compared to 2012 primarily due to increases in transmission service rates.

Forecast - Refer to "Other Future Considerations" for discussion of potential increases in future electric transmission services expenses for WPL.

Other Operation and Maintenance Expenses - Other operation and maintenance expenses increased $18 million and decreased $15 million in 2013 and 2012, respectively. Refer to "Alliant Energy's Results of Operations - Utility Other Operation and Maintenance Expenses" for details of the changes in WPL's other operation and maintenance expenses.

Forecast - WPL currently expects its other operation and maintenance expenses to increase in 2014 compared to 2013 due to increases in regulatory amortizations related to energy conservation costs approved by the PSCW in a July 2012 order. This item is expected to be partially offset by decreases in retirement plan costs in 2014 compared to 2013, resulting from increases in discount rates and higher than expected returns on retirement plan assets in 2013.

Depreciation and Amortization Expenses -
2013 vs. 2012 Summary - Depreciation and amortization expenses increased $31 million in 2013 primarily due to depreciation expense related to Riverside, the SCR project at Edgewater Unit 5, which was placed in service in the fourth quarter of 2012, and new depreciation rates implemented by WPL effective in January 2013.

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Forecast - WPL currently expects its depreciation and amortization expenses to increase in 2014 compared to 2013 due to property additions, including an emission controls project expected to be placed in service in 2014.

Interest Expense -
2013 vs. 2012 Summary - Interest expense increased $5 million in 2013 primarily due to $5 million of higher interest expense recorded in 2013 compared to 2012 for WPL's 2.25% debentures issued in November 2012 to fund a portion of the purchase price of Riverside.

Forecast - WPL currently expects its interest expense to increase in 2014 compared to 2013 due to financings in 2014 to fund capital expenditures for emission controls projects. Refer to "Liquidity and Capital Resources" for details of WPL's financing forecast.

Refer to Note 9 of the "Combined Notes to Consolidated Financial Statements" for additional details of WPL's debt.

AFUDC - AFUDC decreased $4 million and increased $7 million in 2013 and 2012, respectively, primarily due to changes in AFUDC recognized for emission controls projects. Refer to Note 3(a) of the "Combined Notes to Consolidated Financial Statements" for details of AFUDC recognized in 2013, 2012 and 2011.

Income Taxes - Refer to Note 11 of the "Combined Notes to Consolidated Financial Statements" for details of WPL's effective income tax rates, including discussion of production tax credits and state apportionment changes.

LIQUIDITY AND CAPITAL RESOURCES

Overview - Alliant Energy, IPL and WPL expect to maintain adequate liquidity to operate their businesses and implement their strategic plan as a result of available capacity under their revolving credit facilities, IPL's sales of accounts receivable program and operating cash flows generated by their utility business, supplemented by periodic issuances of long-term debt and equity securities.

Liquidity Position - At December 31, 2013, Alliant Energy had $10 million of cash and cash equivalents, $721 million ($205 million at the parent company, $300 million at IPL and $216 million at WPL) of available capacity under their revolving credit facilities and $121 million of available capacity at IPL under its sales of accounts receivable program. Refer to "Cash Flows - Financing Activities - Short-term Debt" below and Note 9(a) of the "Combined Notes to Consolidated Financial Statements" for further discussion of the credit facilities. Refer to Note 5(a) of the "Combined Notes to Consolidated Financial Statements" for additional information on IPL's sales of accounts receivable program.

Capital Structure - Alliant Energy, IPL and WPL plan to maintain debt-to-total capitalization ratios that are consistent with their investment-grade credit ratings. Alliant Energy, IPL and WPL currently expect to maintain capital structures in which debt would not exceed 45% to 55% of total capital and preferred stock would not exceed 5% to 10% of total capital. These targets may be adjusted depending on subsequent developments and their impact on Alliant Energy's, IPL's and WPL's respective weighted average cost of capital and investment-grade credit ratings. Capital structures at December 31, 2013 were as follows (dollars in millions):

	Alliant Energy (Consolidated)		IPL		WPL	
Common equity	$3,281.4	46 %	$1,679.7	49 %	$1,642.4	52 %
Preferred stock	200.0	3 %	200.0	6 %	—	— %
Noncontrolling interest	1.8	— %	—	— %	—	— %
Long-term debt (incl. current maturities)	3,336.3	47 %	1,558.4	45 %	1,332.1	42 %

Short-term debt	279.4	4	%	—	—	%	183.7	6	%
	$7,098.9	100	%	$3,438.1	100	%	$3,158.2	100	%

Alliant Energy, IPL and WPL intend to manage their capital structures and liquidity positions in such a way that facilitates their ability to raise the necessary funds reliably and on reasonable terms and conditions, while maintaining financial capital structures consistent with those approved by regulators and necessary to maintain appropriate credit quality. In addition to capital structures, other important financial considerations used to determine the characteristics of future financings include potential proceeds from asset sales, financial coverage ratios, flexibility in capital spending plans, regulatory orders and rate-making considerations, the levels of debt imputed by rating agencies, market conditions and the impact of tax initiatives. The

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most significant debt imputations relate to the sales of accounts receivable program, the DAEC PPA, and pension and other postretirement benefits obligations. The PSCW factors certain imputed debt adjustments in establishing a regulatory capital structure as part of WPL's retail rate cases. The IUB and MPUC do not make any explicit adjustments for imputed debt in establishing capital ratios used in determining customer rates, although such adjustments are considered by IPL in recommending an appropriate capital structure.

Credit and Capital Markets - Alliant Energy, IPL and WPL are aware of the potential implications that credit and capital market disruptions might have on their ability to raise the external funding required for their respective operations and capital expenditure plans. Alliant Energy's, IPL's and WPL's strategic initiatives include a desire to maintain sufficient liquidity resources to reasonably withstand such a disruption. Alliant Energy, IPL and WPL maintain revolving credit facilities to provide backstop liquidity to their commercial paper programs, ensure a committed source of liquidity in the event the commercial paper market becomes disrupted and efficiently manage their long-term financings. In addition, Alliant Energy and IPL maintain a sales of accounts receivable program at IPL as an alternative financing source.

Primary Sources and Uses of Cash - Alliant Energy's, IPL's and WPL's most significant source of cash is from electric and gas sales to their utility customers. Cash from these sales reimburses IPL and WPL for prudently-incurred expenses to provide service to their utility customers and provides IPL and WPL a return of and a return on the assets used to provide such services. Utility operating cash flows are expected to cover the majority of IPL's and WPL's capital expenditures required to maintain their current infrastructure and to pay dividends to Alliant Energy's shareowners. Capital needed to retire debt and fund capital expenditures related to large strategic projects is expected to be met primarily through external financings.

Cash Flows - Selected information from the Consolidated Statements of Cash Flows was as follows (in millions):

	Alliant Energy			IPL			WPL		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Cash and cash equivalents, January 1	$21.2	$11.4	$159.3	$4.5	$2.1	$5.7	$0.7	$2.7	$0.1
Cash flows from (used for):									
Operating activities	731.0	841.1	702.7	232.6	291.0	366.9	423.3	427.4	428.8
Investing activities	(754.7)	(1,155.5)	(652.1)	(423.3)	(331.2)	(200.6)	(335.9)	(710.2)	(305.4)
Financing activities	12.3	324.2	(198.5)	190.6	42.6	(169.9)	(87.6)	280.8	(120.8)
Net increase (decrease)	(11.4)	9.8	(147.9)	(0.1)	2.4	(3.6)	(0.2)	(2.0)	2.6
Cash and cash equivalents, December 31	$9.8	$21.2	$11.4	$4.4	$4.5	$2.1	$0.5	$0.7	$2.7

Operating Activities -
2013 vs. 2012 - Alliant Energy's cash flows from operating activities decreased $110 million primarily due to $91 million of lower cash flows from changes in the level of IPL's accounts receivable sold during 2013 and 2012, $63 million of cash flows from operations at RMT in 2012 due to changes in working capital requirements associated with renewable energy projects, lower cash flows from changes in prepaid gas and inventory levels of gas stored underground at IPL and WPL, and refunds paid by WPL to its retail electric customers during 2013 for over-collected fuel-related costs during 2012. These items were partially offset by $59 million of purchased electric capacity payments by WPL in 2012 related to the Riverside PPA, and the timing of electric fuel-related, natural gas and transmission cost recoveries at IPL.

IPL's cash flows from operating activities decreased $58 million primarily due to $91 million of lower cash flows from changes in the level of accounts receivable sold in 2013 compared to 2012 and lower cash flows from changes in prepaid gas and inventory levels of gas stored underground. These items were partially offset by the timing of electric

fuel-related, natural gas and transmission cost recoveries.

WPL's cash flows from operating activities decreased $4 million primarily due to $26 million of lower cash flows caused by income tax payments in 2013 and income tax refunds in 2012, refunds paid by WPL to its retail electric customers during 2013 for over-collected fuel-related costs during 2012, and lower cash flows from changes in prepaid gas and inventory levels of gas stored underground. These items were largely offset by $59 million of purchased electric capacity payments in 2012 related to the Riverside PPA.

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2012 vs. 2011 - Alliant Energy's cash flows from operating activities increased $138 million primarily due to $166 million of higher cash flows from operations at RMT due to changes in working capital requirements associated with renewable energy projects in 2012 and 2011 and $117 million of pension plan contributions in 2011. These items were partially offset by $85 million of lower cash flows from changes in the level of IPL's accounts receivable sold during 2012 and 2011, $22 million of higher credits on retail electric customers' bills in Iowa during 2012 compared to 2011 resulting from IPL's electric tax benefit rider and changes in working capital during 2012 and 2011.

IPL's cash flows from operating activities decreased $76 million primarily due to $85 million of lower cash flows from changes in the level of accounts receivable sold during 2012 and 2011, $22 million of higher credits on retail electric customers' bills in Iowa during 2012 compared to 2011 resulting from the electric tax benefit rider and changes in working capital during 2012 and 2011. These items were partially offset by $58 million of pension plan contributions in 2011 and $22 million of lower income tax payments during 2012 compared to 2011.

WPL's cash flows from operating activities decreased $1 million primarily due to $48 million of lower income tax refunds during 2012 compared to 2011. This item was largely offset by $47 million of pension plan contributions in 2011.

IPL's Sales of Accounts Receivable Program - Alliant Energy and IPL utilize the sales of accounts receivable program to finance a portion of their cash needs. Changes in IPL's sales of accounts receivable program increased (decreased) Alliant Energy's and IPL's cash flows from operations by ($101) million, ($10) million and $75 million in 2013, 2012 and 2011, respectively. The decrease in 2013 was primarily due to IPL using a portion of the proceeds from its issuance of $250 million of long-term debt in 2013 to reduce cash proceeds from its sales of accounts receivable program. The higher level of proceeds from the receivables sold in 2011 was primarily used by IPL to help fund working capital and construction expenditures, and to reduce short-term debt. The purchase commitment from the third party to which it sells its receivables expires in March 2014. IPL is currently pursuing the extension of the purchase commitment. Refer to Note 5(a) of the "Combined Notes to Consolidated Financial Statements" for additional details of IPL's sales of accounts receivable program.

RMT's Working Capital Requirements - Cash flows from operations at RMT decreased significantly in 2013 compared to 2012 and increased significantly in 2012 compared to 2011 largely due to amounts collected in 2012 for customers' large renewable energy projects completed in late 2011 and early 2012. In January 2013, Alliant Energy sold RMT.

Electric Fuel-related, Natural Gas and Transmission Cost Recoveries - IPL has cost recovery mechanisms applicable for its retail electric and gas customers to provide for subsequent adjustments to its electric and gas rates for changes in electric fuel-related and natural gas costs. IPL also has a cost recovery mechanism applicable for its Iowa retail electric customers to provide for subsequent adjustments to its electric rates for changes in electric transmission service expenses. Changes in the timing of IPL's electric fuel-related, natural gas and transmission cost recoveries resulted in $47 million of higher cash flows from operations for Alliant Energy and IPL in 2013 compared to 2012.

Income Tax Payments and Refunds - Income tax payments (refunds) for 2011 through 2013 were as follows (in millions):

	2013	2012	2011
IPL	$—	$3	$25
WPL	23	(3)	(51)
Other subsidiaries	(33)	(20)	15
Alliant Energy	($10)	($20)	($11)

Alliant Energy's income tax refunds in 2013, 2012 and 2011 were primarily due to federal and state claims filed related to net operating losses carried back to prior years. Alliant Energy, IPL and WPL currently do not expect to make any significant federal income tax payments in 2014 and 2015 based on their current federal net operating loss and credit carryforward positions and future amounts of bonus depreciation expected to be claimed on Alliant Energy's U.S. federal income tax returns for calendar years 2013 and 2014. While no significant federal income tax payments in 2014 and 2015 are expected to occur, some tax payments and refunds may occur between consolidated group members (including IPL and WPL) under the tax sharing agreement between Alliant Energy and its subsidiaries. Refer to Note 11 of the "Combined Notes to Consolidated Financial Statements" for discussion of the carryforward positions.

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Pension Plan Contributions - Contributions to qualified and non-qualified defined benefit pension plans for 2011 through 2013 were as follows (in millions):

	2013	2012	2011
IPL (a)	$1	$—	$58
WPL (a)	—	—	47
Other subsidiaries	2	16	12
Alliant Energy	$3	$16	$117

(a) Pension plan contributions for IPL and WPL include contributions to their respective qualified pension plans as well as an assigned portion of the contributions to pension plans sponsored by Corporate Services.

Alliant Energy, IPL and WPL currently do not expect to make any significant pension plan contributions in 2014 through 2016 based on the funded status and assumed return on assets for each plan as of the December 31, 2013 measurement date. Refer to Note 12(a) of the "Combined Notes to Consolidated Financial Statements" for discussion of the current funded levels of pension plans and contributions expected in 2014.

IPL's Tax Benefit Riders - IPL currently expects $85 million and $12 million of billing credits in 2014 for its Iowa retail electric and gas customers, respectively. Refer to "Rate Matters," "Alliant Energy's Results of Operations," "IPL's Results of Operations," and Notes 2 and 11 of the "Combined Notes to Consolidated Financial Statements" for further discussion of IPL's tax benefit riders.

Whiting Petroleum Tax Sharing Agreement - In 2014, Alliant Energy currently expects to receive approximately $25 million from Whiting Petroleum related to its tax sharing agreement, which is discussed in Note 5(b) of the "Combined Notes to Consolidated Financial Statements."

Investing Activities -
2013 vs. 2012 - Alliant Energy's cash flows used for investing activities decreased $401 million primarily due to $294 million of lower utility construction and acquisition expenditures, a $62 million cash grant Alliant Energy received during 2013 related to the Franklin County wind project, and expenditures in 2012 for the Franklin County wind project and Corporate Services' purchase of its corporate headquarters building. The lower utility construction and acquisition expenditures were largely due to expenditures for WPL's purchase of Riverside in 2012 and for emission controls projects at WPL's Edgewater Unit 5 in 2012, partially offset by higher expenditures in 2013 for the emission controls projects at WPL's Columbia Units 1 and 2, and IPL's George Neal Units 3 and 4 and Lansing Unit 4 . Refer to Note 5(d) of the "Combined Notes to Consolidated Financial Statements" for further discussion of the Franklin County wind project cash grant.

IPL's cash flows used for investing activities increased $92 million due to $93 million of higher construction expenditures. The higher construction expenditures were largely due to higher expenditures in 2013 for emission controls projects at George Neal Units 3 and 4 and Lansing Unit 4.