ALLIANT ENERGY CORP
Form 10-Q
November 04, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2016

or

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

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

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

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

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

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

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

Number of shares outstanding of each class of common stock as of September 30, 2016:

Alliant Energy Corporation	Common stock, $0.01 par value, 227,500,428 shares outstanding
Interstate Power and Light Company	Common stock, $2.50 par value, 13,370,788 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)
Wisconsin Power and Light Company	Common stock, $5 par value, 13,236,601 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)

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DEFINITIONS

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

Abbreviation or Acronym	Definition
2015 Form 10-K	Combined Annual Report on Form 10-K filed by Alliant Energy, IPL and WPL for the year ended Dec. 31, 2015
AEF	Alliant Energy Finance, LLC
AFUDC	Allowance for funds used during construction
Alliant Energy	Alliant Energy Corporation
AROs	Asset retirement obligations
ATC	American Transmission Company LLC
CAA	Clean Air Act
CCR	Coal Combustion Residuals
CDD	Cooling degree days
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Columbia	Columbia Energy Center
Corporate Services	Alliant Energy Corporate Services, Inc.
CRANDIC	Cedar Rapids and Iowa City Railway Company
DAEC	Duane Arnold Energy Center
Dth	Dekatherm
Edgewater	Edgewater Generating Station
EGU	Electric generating unit
EPA	U.S. Environmental Protection Agency
EPS	Earnings per weighted average common share
FERC	Federal Energy Regulatory Commission
Financial Statements	Condensed Consolidated Financial Statements
FTR	Financial transmission right
Fuel-related	Electric production fuel and purchased power
GAAP	U.S. generally accepted accounting principles
HDD	Heating degree days
IPL	Interstate Power and Light Company
ITC	ITC Midwest LLC
IUB	Iowa Utilities Board
Marshalltown	Marshalltown Generating Station
MDA	Management’s Discussion and Analysis of Financial Condition and Results of Operations
MGP	Manufactured gas plant
MISO	Midcontinent Independent System Operator, Inc.
MW	Megawatt
MWh	Megawatt-hour
N/A	Not applicable
NAAQS	National Ambient Air Quality Standards
Nelson Dewey	Nelson Dewey Generating Station
Note(s)	Combined Notes to Condensed Consolidated Financial Statements
NOx	Nitrogen oxide
OPEB	Other postretirement benefits
PSCW	Public Service Commission of Wisconsin
	Receivables Purchase and Sale Agreement

Receivables Agreement	
Resources	Alliant Energy Resources, LLC
Riverside	Riverside Energy Center
RMT	RMT, Inc.
SCR	Selective catalytic reduction
SO2	Sulfur dioxide
U.S.	United States of America
Whiting Petroleum	Whiting Petroleum Corporation
WPL	Wisconsin Power and Light Company

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FORWARD-LOOKING STATEMENTS

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

- federal and state regulatory or governmental actions, including the impact of energy, tax, financial and health care legislation, and of regulatory agency orders;
- IPL’s and WPL’s ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of fuel costs, operating costs, transmission costs, deferred expenditures, capital expenditures, and remaining costs related to EGUs that may be permanently closed, earning their authorized rates of return, and the payments to their parent of expected levels of dividends;
- the ability to continue cost controls and operational efficiencies;
- the impact of IPL’s retail electric base rate freeze in Iowa during 2016;
- the impacts of WPL’s retail electric and gas base rate freeze in Wisconsin during 2016 and WPL’s pending retail base rate case for the 2017/2018 Test Period;
- 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 customer- and third party-owned generation, including alternative electric suppliers, in IPL’s and WPL’s service territories on system reliability, operating expenses and customers’ demand for electricity;
- the impact of energy efficiency, franchise retention, customer- and third party-owned generation and customer disconnects on sales volumes and margins;
- the impact that price changes may have on IPL’s and WPL’s customers’ demand for electric, gas and steam services and their ability to pay their bills;
- developments that adversely impact the ability to implement the strategic plan, including issues with planned and potential new wind generation projects, IPL’s Marshalltown EGU, WPL’s Riverside expansion and related third party purchase options, new environmental control equipment for various fossil-fueled EGUs of IPL and WPL, various replacements, modernization and expansion of IPL’s and WPL’s electric and gas distribution systems, the proposed transfer of the Franklin County wind farm to IPL, and the potential decommissioning of certain EGUs of IPL and WPL;
- the ability to qualify for the full level of production tax credits on planned and potential new wind farms and the impact of changes to production tax credits for wind farms;
- issues related to the availability and operations of EGUs, including start-up risks, breakdown or failure of equipment, performance below expected or contracted levels of output or efficiency, operator error, employee safety, transmission constraints, compliance with mandatory reliability standards and risks related to recovery of resulting incremental costs through rates;
- disruptions in the supply and delivery of natural gas, purchased electricity and coal, including due to the bankruptcy of coal mining companies;
- changes in the price of delivered coal, natural gas and purchased electricity due to shifts in supply and demand caused by market conditions and regulations, and the ability to recover and to retain the recovery of related changes in purchased power, fuel and fuel-related costs through rates in a timely manner;

- impacts on equity income from unconsolidated investments due to further potential changes to ATC's authorized return on equity;
- issues associated with environmental remediation and environmental compliance, including compliance with the Consent Decree between WPL, the EPA and the Sierra Club, the Consent Decree between IPL, the EPA, the Sierra Club, the State of Iowa and Linn County in Iowa, the CCR Rule, the Clean Power Plan, future changes in environmental laws and regulations, including the EPA's regulations for carbon dioxide emissions reductions from new and existing fossil-fueled EGUs, and litigation associated with environmental requirements;
- the ability to defend against environmental claims brought by state and federal agencies, such as the EPA, state natural resources agencies or third parties, such as the Sierra Club, and the impact on operating expenses of defending and resolving such claims;

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- 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;
- the direct or indirect effects resulting from breakdown or failure of equipment in the operation of gas distribution systems, such as leaks, explosions and mechanical problems, and compliance with gas transmission and distribution safety regulations, such as proposed rules recently issued by the Pipeline and Hazardous Materials Safety Administration;
- risks associated with integration of a new customer billing and information system, which was completed in the first quarter of 2016;
- impacts of IPL’s future tax benefits from Iowa rate-making practices, including deductions for repairs expenditures and allocation of mixed service costs, and recoverability of the associated regulatory assets from customers, when the differences reverse in future periods;
- any material post-closing adjustments related to any past asset divestitures, including the sales of IPL’s Minnesota electric and natural gas assets, RMT and Whiting Petroleum, which could result from, among other things, warranties, parental guarantees or litigation;
- 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 Regional Transmission Organization energy and ancillary services markets, the impacts of potential future billing adjustments and cost allocation changes from Regional Transmission Organizations and recovery of costs incurred;
- current or future litigation, regulatory investigations, proceedings or inquiries;
- reputational damage from negative publicity, protests, fines, penalties and other negative consequences resulting in regulatory and/or legal actions;
- 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;
- inability to access technological developments, including those related to wind turbines, solar generation, smart technology, battery storage and other future technologies;
- changes in technology that alter the channels through which electric customers buy or utilize power;
- impacts of ATC’s potential restructuring;
- material changes in retirement and benefit plan costs;
- the impact of performance-based compensation plans accruals;
- the effect of accounting standards issued periodically by standard-setting bodies, including revenue recognition and lease standards;
- 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;
- impacts of the extension of bonus depreciation deductions;
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- the ability to successfully complete tax audits and changes in tax accounting methods with no material impact on earnings and cash flows; and
- factors listed in MDA and Risk Factors in Item 1A in the 2015 Form 10-K.

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in millions, except per share amounts)			
Operating revenues:				
Electric utility	$864.3	$835.8	$2,209.1	$2,147.5
Gas utility	39.5	38.0	248.7	288.1
Other utility	9.4	13.4	35.0	44.6
Non-regulated	11.4	11.7	30.2	33.3
Total operating revenues	924.6	898.9	2,523.0	2,513.5
Operating expenses:				
Electric production fuel and purchased power	245.9	245.8	646.3	646.9
Electric transmission service	138.6	127.6	396.8	367.7
Cost of gas sold	12.5	13.6	132.3	166.3
Asset valuation charges for Franklin County wind farm	86.4	—	86.4	—
Other operation and maintenance	148.6	151.1	438.2	456.3
Depreciation and amortization	104.1	99.3	308.7	299.9
Taxes other than income taxes	25.9	25.6	77.2	78.6
Total operating expenses	762.0	663.0	2,085.9	2,015.7
Operating income	162.6	235.9	437.1	497.8
Interest expense and other:				
Interest expense	48.8	46.4	144.8	139.5
Equity income from unconsolidated investments, net	(9.2)	(11.1)	(28.8)	(28.9)
Allowance for funds used during construction	(15.8)	(9.7)	(44.3)	(25.1)
Interest income and other	(0.1)	(0.1)	(0.3)	(0.4)
Total interest expense and other	23.7	25.5	71.4	85.1
Income from continuing operations before income taxes	138.9	210.4	365.7	412.7
Income taxes	7.5	27.8	47.2	59.5
Income from continuing operations, net of tax	131.4	182.6	318.5	353.2
Loss from discontinued operations, net of tax	(0.4)	(0.1)	(2.0)	(1.4)
Net income	131.0	182.5	316.5	351.8
Preferred dividend requirements of Interstate Power and Light Company	2.6	2.6	7.7	7.7
Net income attributable to Alliant Energy common shareowners	$128.4	$179.9	$308.8	$344.1
Weighted average number of common shares outstanding (basic and diluted) (a)	227.2	226.4	227.0	225.0
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted) (a):				
Income from continuing operations, net of tax	$0.57	$0.79	$1.37	$1.54
Loss from discontinued operations, net of tax	—	—	(0.01)	(0.01)
Net income	$0.57	$0.79	$1.36	$1.53
Amounts attributable to Alliant Energy common shareowners:				
Income from continuing operations, net of tax	$128.8	$180.0	$310.8	$345.5

Loss from discontinued operations, net of tax	(0.4)	(0.1)	(2.0)	(1.4)
Net income	$128.4	$179.9	$308.8	$344.1
Dividends declared per common share (a)	$0.29375	$0.275	$0.88125	$0.825

(a) Amounts reflect the effects of a two-for-one common stock split distributed in May 2016. Refer to Note 6 for additional details.

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

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ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, 2016	December 31, 2015
	(in millions, except per share and share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$84.7	$5.8
Accounts receivable, less allowance for doubtful accounts	491.5	397.6
Production fuel, at weighted average cost	92.6	98.8
Gas stored underground, at weighted average cost	37.8	43.3
Materials and supplies, at weighted average cost	89.5	81.4
Regulatory assets	63.1	120.2
Other	98.9	79.7
Total current assets	958.1	826.8
Property, plant and equipment, net	9,920.4	9,519.1
Investments:		
Investment in American Transmission Company LLC	309.9	293.3
Other	19.7	53.0
Total investments	329.6	346.3
Other assets:		
Regulatory assets	1,811.7	1,788.4
Deferred charges and other	9.4	14.6
Total other assets	1,821.1	1,803.0
Total assets	$13,029.2	$12,495.2
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	$314.0	$313.4
Commercial paper	238.3	159.8
Accounts payable	365.1	402.4
Regulatory liabilities	178.4	187.1
Other	273.9	296.6
Total current liabilities	1,369.7	1,359.3
Long-term debt, net (excluding current portion)	3,816.9	3,522.2
Other liabilities:		
Deferred tax liabilities	2,530.6	2,381.2
Regulatory liabilities	497.4	550.6
Pension and other benefit obligations	455.3	451.8
Other	300.2	306.0
Total other liabilities	3,783.5	3,689.6
Commitments and contingencies (Note 13)		
Equity:		
Alliant Energy Corporation common equity:		
Common stock - $0.01 par value - 480,000,000 shares authorized; 227,500,428 and 226,918,432 shares outstanding (a)	2.3	2.3
Additional paid-in capital	1,686.0	1,661.8

Retained earnings	2,181.0	2,068.9
Accumulated other comprehensive loss	(0.4)	(0.4)
Shares in deferred compensation trust - 432,619 and 430,186 shares at a weighted average cost of $22.54 and $19.84 per share (a)	(9.8)	(8.5)
Total Alliant Energy Corporation common equity	3,859.1	3,724.1
Cumulative preferred stock of Interstate Power and Light Company	200.0	200.0
Total equity	4,059.1	3,924.1
Total liabilities and equity	$13,029.2	$12,495.2

(a) Share and per share amounts reflect the effects of a two-for-one common stock split distributed in May 2016. Refer to Note 6 for additional details.

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

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

	For the Nine Months Ended September 30,	
	2016	2015
	(in millions)	
Cash flows from operating activities:		
Net income	$316.5	$351.8
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	308.7	299.9
Deferred tax expense and investment tax credits	76.7	101.0
Asset valuation charges for Franklin County wind farm	86.4	—
Other	(44.0)	(2.5)
Other changes in assets and liabilities:		
Accounts receivable	(101.0)	11.7
Sales of accounts receivable	(4.0)	(21.0)
Regulatory assets	36.6	(51.3)
Regulatory liabilities	(66.5)	(61.5)
Deferred income taxes	71.8	74.1
Other	(27.2)	(6.9)
Net cash flows from operating activities	654.0	695.3
Cash flows used for investing activities:		
Construction and acquisition expenditures:		
Utility business	(743.6)	(678.9)
Alliant Energy Corporate Services, Inc. and non-regulated businesses	(43.3)	(47.5)
Proceeds from Minnesota electric and natural gas distribution asset sales	—	138.1
Other	15.1	(24.7)
Net cash flows used for investing activities	(771.8)	(613.0)
Cash flows from financing activities:		
Common stock dividends	(199.8)	(185.1)
Proceeds from issuance of common stock, net	20.4	145.4
Proceeds from issuance of long-term debt	300.0	250.7
Payments to retire long-term debt	(1.9)	(182.0)
Net change in commercial paper	78.5	(32.2)
Other	(0.5)	3.2
Net cash flows from financing activities	196.7	—
Net increase in cash and cash equivalents	78.9	82.3
Cash and cash equivalents at beginning of period	5.8	56.9
Cash and cash equivalents at end of period	$84.7	$139.2
Supplemental cash flows information:		
Cash (paid) refunded during the period for:		
Interest, net of capitalized interest	($140.7)	($133.9)
Income taxes, net	($8.3)	$—
Significant non-cash investing and financing activities:		
Accrued capital expenditures	$99.9	$180.0

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in millions)			
Operating revenues:				
Electric utility	$483.2	$468.6	$1,209.2	$1,170.6
Gas utility	23.9	23.1	142.6	164.1
Steam and other	9.1	12.9	34.1	41.1
Total operating revenues	516.2	504.6	1,385.9	1,375.8
Operating expenses:				
Electric production fuel and purchased power	125.0	131.4	324.8	332.0
Electric transmission service	95.9	87.5	270.7	249.3
Cost of gas sold	8.0	9.4	76.3	93.4
Other operation and maintenance	94.8	94.3	279.8	287.5
Depreciation and amortization	52.7	51.2	157.8	155.1
Taxes other than income taxes	13.9	13.8	40.6	42.2
Total operating expenses	390.3	387.6	1,150.0	1,159.5
Operating income	125.9	117.0	235.9	216.3
Interest expense and other:				
Interest expense	25.5	23.8	75.4	71.8
Allowance for funds used during construction	(13.8)	(7.3)	(36.2)	(19.3)
Interest income and other	—	0.1	(0.1)	—
Total interest expense and other	11.7	16.6	39.1	52.5
Income before income taxes	114.2	100.4	196.8	163.8
Income tax benefit	(2.5)	(18.7)	(2.5)	(24.4)
Net income	116.7	119.1	199.3	188.2
Preferred dividend requirements	2.6	2.6	7.7	7.7
Earnings available for common stock	$114.1	$116.5	$191.6	$180.5

Earnings per share data is not disclosed given Alliant Energy Corporation is the sole shareowner of all shares of IPL's common stock outstanding during the periods presented.
The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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

	September 30, 2016	December 31, 2015
	(in millions, except per share and share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$77.7	$4.5
Accounts receivable, less allowance for doubtful accounts	266.8	200.0
Production fuel, at weighted average cost	70.0	60.2
Gas stored underground, at weighted average cost	17.4	18.2
Materials and supplies, at weighted average cost	50.0	45.7
Regulatory assets	15.0	39.6
Other	37.2	28.2
Total current assets	534.1	396.4
Property, plant and equipment, net	5,220.1	4,925.1
Investments	0.8	19.6
Other assets:		
Regulatory assets	1,402.2	1,363.0
Deferred charges and other	3.8	5.0
Total other assets	1,406.0	1,368.0
Total assets	$7,161.0	$6,709.1
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$172.6	$197.2
Accounts payable to associated companies	55.0	37.7
Regulatory liabilities	132.5	130.9
Accrued taxes	41.2	67.6
Other	85.9	97.7
Total current liabilities	487.2	531.1
Long-term debt, net (excluding current portion)	2,153.1	1,856.9
Other liabilities:		
Deferred tax liabilities	1,493.6	1,378.0
Regulatory liabilities	298.9	358.3
Pension and other benefit obligations	161.2	160.2
Other	229.1	229.3
Total other liabilities	2,182.8	2,125.8
Commitments and contingencies (Note 13)		
Equity:		
Interstate Power and Light Company common equity:		
Common stock - $2.50 par value - 24,000,000 shares authorized; 13,370,788 shares outstanding	33.4	33.4
Additional paid-in capital	1,472.8	1,407.8
Retained earnings	631.7	554.1
Total Interstate Power and Light Company common equity	2,137.9	1,995.3
Cumulative preferred stock	200.0	200.0
Total equity	2,337.9	2,195.3
Total liabilities and equity	$7,161.0	$6,709.1

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

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

	For the Nine Months Ended September 30,	
	2016	2015
	(in millions)	
Cash flows from operating activities:		
Net income	$199.3	$188.2
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	157.8	155.1
Other	24.3	32.3
Other changes in assets and liabilities:		
Accounts receivable	(66.5)	(8.3)
Sales of accounts receivable	(4.0)	(21.0)
Regulatory assets	(14.1)	(38.1)
Regulatory liabilities	(64.5)	(63.1)
Deferred income taxes	67.7	72.0
Other	(43.5)	0.9
Net cash flows from operating activities	256.5	318.0
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(436.5)	(432.6)
Proceeds from Minnesota electric and natural gas distribution asset sales	—	138.1
Other	1.1	(24.9)
Net cash flows used for investing activities	(435.4)	(319.4)
Cash flows from financing activities:		
Common stock dividends	(114.0)	(105.0)
Capital contributions from parent	65.0	100.0
Proceeds from issuance of long-term debt	300.0	250.0
Payments to retire long-term debt	—	(150.0)
Other	1.1	0.5
Net cash flows from financing activities	252.1	95.5
Net increase in cash and cash equivalents	73.2	94.1
Cash and cash equivalents at beginning of period	4.5	5.3
Cash and cash equivalents at end of period	$77.7	$99.4
Supplemental cash flows information:		
Cash (paid) refunded during the period for:		
Interest	($72.5)	($66.7)
Income taxes, net	$0.7	$31.1
Significant non-cash investing and financing activities:		
Accrued capital expenditures	$44.5	$115.5

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in millions)			
Operating revenues:				
Electric utility	$381.1	$367.2	$999.9	$976.9
Gas utility	15.6	14.9	106.1	124.0
Other	0.3	0.5	0.9	3.5
Total operating revenues	397.0	382.6	1,106.9	1,104.4
Operating expenses:				
Electric production fuel and purchased power	120.9	114.4	321.5	314.9
Electric transmission service	42.7	40.1	126.1	118.4
Cost of gas sold	4.5	4.2	56.0	72.9
Other operation and maintenance	54.2	57.0	157.2	167.7
Depreciation and amortization	48.7	45.7	143.5	137.5
Taxes other than income taxes	11.0	10.9	33.8	33.6
Total operating expenses	282.0	272.3	838.1	845.0
Operating income	115.0	110.3	268.8	259.4
Interest expense and other:				
Interest expense	22.9	23.1	68.7	69.5
Equity income from unconsolidated investments	(9.3)	(11.1)	(29.0)	(30.2)
Allowance for funds used during construction	(2.0)	(2.4)	(8.1)	(5.8)
Interest income and other	0.1	(0.3)	(0.2)	(0.3)
Total interest expense and other	11.7	9.3	31.4	33.2
Income before income taxes	103.3	101.0	237.4	226.2
Income taxes	33.7	32.6	77.1	73.0
Net income	69.6	68.4	160.3	153.2
Net income attributable to noncontrolling interest	0.6	0.4	1.6	1.1
Earnings available for common stock	$69.0	$68.0	$158.7	$152.1

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

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

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

	September 30, 2016	December 31, 2015
	(in millions, except per share and share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$5.6	$0.4
Accounts receivable, less allowance for doubtful accounts	190.7	185.4
Production fuel, at weighted average cost	22.6	38.6
Gas stored underground, at weighted average cost	20.4	25.1
Materials and supplies, at weighted average cost	35.7	33.5
Regulatory assets	48.1	80.6
Other	53.9	59.9
Total current assets	377.0	423.5
Property, plant and equipment, net	4,289.1	4,103.7
Investments:		
Investment in American Transmission Company LLC	309.9	293.3
Other	13.4	15.4
Total investments	323.3	308.7
Other assets:		
Regulatory assets	409.5	425.4
Deferred charges and other	6.9	9.1
Total other assets	416.4	434.5
Total assets	$5,405.8	$5,270.4
LIABILITIES AND EQUITY		
Current liabilities:		
Commercial paper	$11.8	$19.9
Accounts payable	122.3	136.0
Accounts payable to associated companies	32.8	21.6
Regulatory liabilities	45.9	56.2
Other	91.0	103.2
Total current liabilities	303.8	336.9
Long-term debt, net (excluding current portion)	1,534.9	1,533.9
Other liabilities:		
Deferred tax liabilities	1,108.8	1,005.4
Regulatory liabilities	198.5	192.3
Capital lease obligations - Sheboygan Falls Energy Facility	78.9	83.6
Pension and other benefit obligations	186.2	188.7
Other	162.4	162.0
Total other liabilities	1,734.8	1,632.0
Commitments and contingencies (Note 13)		
Equity:		
Wisconsin Power and Light Company common equity:		
Common stock - $5 par value - 18,000,000 shares authorized; 13,236,601 shares outstanding	66.2	66.2
Additional paid-in capital	959.0	959.0

Retained earnings	788.6	731.1
Total Wisconsin Power and Light Company common equity	1,813.8	1,756.3
Noncontrolling interest	18.5	11.3
Total equity	1,832.3	1,767.6
Total liabilities and equity	$5,405.8	$5,270.4

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

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

	For the Nine Months Ended September 30,	
	2016	2015
	(in millions)	
Cash flows from operating activities:		
Net income	$160.3	$153.2
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	143.5	137.5
Deferred tax expense and investment tax credits	97.9	60.0
Other	(20.3)	(8.3)
Other changes in assets and liabilities:		
Regulatory assets	50.7	(13.2)
Derivative liabilities	(13.3)	19.0
Other	20.5	27.7
Net cash flows from operating activities	439.3	375.9
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(307.1)	(246.3)
Other	(19.6)	(13.3)
Net cash flows used for investing activities	(326.7)	(259.6)
Cash flows used for financing activities:		
Common stock dividends	(101.2)	(95.3)
Payments to retire long-term debt	—	(30.6)
Other	(6.2)	(1.4)
Net cash flows used for financing activities	(107.4)	(127.3)
Net increase (decrease) in cash and cash equivalents	5.2	(11.0)
Cash and cash equivalents at beginning of period	0.4	46.7
Cash and cash equivalents at end of period	$5.6	$35.7
Supplemental cash flows information:		
Cash (paid) refunded during the period for:		
Interest	($67.7)	($69.2)
Income taxes, net	$19.6	($10.0)
Significant non-cash investing and financing activities:		
Accrued capital expenditures	$50.8	$57.2

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

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

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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

In the opinion of management, all adjustments, which unless otherwise noted are normal and recurring in nature, necessary for a fair presentation of the results of operations, financial position and cash flows have been made. Results for the nine months ended September 30, 2016 are not necessarily indicative of results that may be expected for the year ending December 31, 2016. A change in management's estimates or assumptions could have a material impact on financial condition and results of operations during the period in which such change occurred. Certain prior period amounts in the Financial Statements and Notes have been reclassified to conform to the current period presentation for comparative purposes. Unless otherwise noted, the Notes herein exclude discontinued operations for all periods presented. In the fourth quarter of 2015, IPL and WPL implemented a change in method of recording income taxes that impacts the separate financial statements of IPL and WPL. As discussed in Note 6, all Alliant Energy share and per share amounts have been adjusted to reflect a two-for-one common stock split distributed in May 2016. As required by GAAP, all prior period financial statements and disclosures presented herein have been restated to reflect the tax method change and common stock split.

NOTE 1(b) New Accounting Standards -
Revenue Recognition - In May 2014, the Financial Accounting Standards Board issued an accounting standard providing principles for recognizing revenue for the transfer of promised goods or services to customers with the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also requires disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Alliant Energy, IPL and WPL currently expect to adopt this standard on January 1, 2018 and are evaluating the impact of this standard on their financial condition and results of operations.

Leases - In February 2016, the Financial Accounting Standards Board issued an accounting standard requiring lease assets and lease liabilities, including operating leases, to be recognized on the balance sheet for all leases with terms longer than 12 months. The standard also requires disclosure of key information about leasing arrangements. Alliant Energy, IPL and WPL are required to adopt this standard on January 1, 2019 and are currently evaluating the impact of this standard on their financial condition and results of operations. Early adoption of this standard is permitted.

NOTE 1(c) Property, Plant and Equipment -
Utility Plant -
Depreciation - In September 2016, the PSCW issued an order approving the implementation of updated depreciation rates for WPL effective January 1, 2017 as a result of a recently completed depreciation study. WPL estimates the new average rates of depreciation for its electric generation, electric distribution and gas properties will be approximately 3.2%, 2.6% and 2.3%, respectively, during 2017.

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

	Alliant Energy		IPL		WPL	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Tax-related	$1,033.5	$987.7	$1,000.7	$958.2	$32.8	$29.5
Pension and OPEB costs	551.0	579.5	284.7	298.1	266.3	281.4
AROs	103.9	92.4	61.5	50.8	42.4	41.6
WPL's EGUs retired early	43.1	45.0	—	—	43.1	45.0
Derivatives	39.0	70.6	10.6	28.2	28.4	42.4
Emission allowances	26.3	26.9	26.3	26.9	—	—
Commodity cost recovery	10.1	35.9	0.4	2.8	9.7	33.1
Other	67.9	70.6	33.0	37.6	34.9	33.0
	$1,874.8	$1,908.6	$1,417.2	$1,402.6	$457.6	$506.0

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

	Alliant Energy		IPL		WPL	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Cost of removal obligations	$410.6	$406.0	$267.2	$260.4	$143.4	$145.6
IPL's tax benefit riders	103.1	159.2	103.1	159.2	—	—
Electric transmission cost recovery	54.5	43.5	25.0	21.9	29.5	21.6
Commodity cost recovery	39.1	37.6	15.1	23.5	24.0	14.1
Energy efficiency cost recovery	28.0	48.3	—	—	28.0	48.3
Other	40.5	43.1	21.0	24.2	19.5	18.9
	$675.8	$737.7	$431.4	$489.2	$244.4	$248.5

Tax-related - Alliant Energy's and IPL's tax-related regulatory assets are generally impacted by certain property-related differences at IPL for which deferred tax is not recorded in the income statement pursuant to Iowa rate-making principles. Deferred tax amounts for such property-related differences at IPL are recorded to regulatory assets, along with the necessary revenue requirement tax gross-ups. During the nine months ended September 30, 2016, Alliant Energy's and IPL's tax-related regulatory assets increased primarily due to property-related differences for qualifying repair expenditures.

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

IPL's tax benefit riders - IPL's tax benefit riders utilize regulatory liabilities to credit bills of IPL's Iowa retail electric and gas customers to help offset the impact of rate increases on such customers. These regulatory liabilities are related to tax benefits from tax accounting method changes for repairs expenditures, allocation of mixed service costs, allocation of insurance proceeds from floods in 2008, and cost of removal expenditures. For the nine months ended September 30, 2016, Alliant Energy's and IPL's "IPL's tax benefit riders" regulatory liabilities decreased by $56 million as follows (in millions):

Electric tax benefit rider credits	$47
Gas tax benefit rider credits	9
	$56

Refer to Note 8 for additional details regarding IPL's tax benefit riders.

Utility Rate Cases -
WPL’s Wisconsin Retail Electric and Gas Rate Case (2017/2018 Test Period) - In May 2016, WPL filed a retail base rate case with the PSCW based on a forward-looking test period that includes 2017 and 2018. WPL’s filing was based on a stipulated agreement reached between PSCW staff, intervener groups and WPL. The filing requested approval for WPL to implement a $13 million, or approximately 1%, increase in annual rates for WPL’s retail electric customers. The net requested increase for 2017 compared to WPL’s retail electric rate case for the 2015/2016 Test Period reflected a $65 million increase in base rates, partially offset by a $52 million reduction in fuel-related costs, using a preliminary estimate for 2017 fuel-related costs. The filing also requested approval for WPL to implement a $9 million, or approximately 13%, increase in

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annual base rates for WPL's retail gas customers. Any rate changes granted from this request are expected to be effective January 1, 2017 and extend through the end of 2018. WPL currently expects a decision from the PSCW regarding this base rate case filing in the fourth quarter of 2016.

IPL's Iowa Retail Electric Rate Settlement Agreement - The IUB approved a settlement agreement in 2014 related to rates charged to IPL's Iowa retail electric customers. The settlement agreement extends IPL's Iowa retail electric base rates authorized in its 2009 Test Year rate case through 2016 and provides targeted retail electric customer billing credits. For the three and nine months ended September 30, IPL recorded billing credits to reduce retail electric customers' bills as follows (in millions):

	Three Months		Nine Months	
	2016	2015	2016	2015
Billing credits to reduce retail electric customers' bills	$3	$7	$7	$19

WPL's Retail Fuel-related Rate Filing (2016 Test Year) - Pursuant to a 2015 PSCW order, WPL's 2016 fuel-related costs will be subject to deferral if they are outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL through September 30, 2016 were lower than fuel-related costs used to determine rates for such period resulting in an over-collection of fuel-related costs. As of September 30, 2016, fuel-related costs outside of the approved range were $9 million and are included in "Commodity cost recovery" in Alliant Energy's and WPL's regulatory liabilities table above.

WPL's Retail Fuel-related Rate Filing (2015 Test Year) - Pursuant to a 2014 PSCW order, WPL's 2015 fuel-related costs were subject to deferral since they were 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 2015 were lower than fuel-related costs used to determine rates for such period resulting in an over-collection of fuel-related costs. Pursuant to an August 2016 PSCW order, WPL will refund $10 million, including interest, to its retail electric customers in the fourth quarter of 2016 for these over-collections.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT
Utility -
Emission Controls Project -
WPL's Edgewater Unit 5 - Construction of the scrubber and baghouse at Edgewater Unit 5 was completed in July 2016. As of September 30, 2016, Alliant Energy and WPL recorded capitalized expenditures of $223 million and AFUDC of $12 million for the scrubber and baghouse in "Property, plant and equipment, net" on their balance sheets.

Natural Gas-Fired Generation Project -
IPL's Marshalltown Generating Station - IPL is currently constructing Marshalltown, an approximate 650 MW natural gas-fired combined-cycle EGU. Construction began in 2014 and is expected to be completed in the second quarter of 2017. As of September 30, 2016, Alliant Energy and IPL recorded capitalized expenditures for construction work in progress of $600 million and AFUDC of $56 million for Marshalltown in "Property, plant and equipment, net" on their balance sheets.

Sales of IPL's Minnesota Electric and Natural Gas Distribution Assets - In 2015, IPL completed the sale of its Minnesota natural gas distribution assets and received proceeds of $11 million and a promissory note of $2 million. In 2015, IPL completed the sale of its Minnesota electric distribution assets and received proceeds of $129 million. The proceeds from the natural gas distribution assets were used for general corporate purposes and the proceeds from the electric distribution assets were used to reduce cash amounts received from IPL's sales of accounts receivable program. The premium received over the book value of the property, plant and equipment sold was more than offset by a reduction in tax-related regulatory assets associated with the distribution assets. As a result, Alliant Energy and IPL recorded pre-tax charges of $9 million and $3 million for the Minnesota electric and natural gas distribution asset transactions, respectively, in “Other operation and maintenance” in their income statements for the nine months ended September 30, 2015.

Non-regulated and Other -
Non-regulated Generation -
Franklin County Wind Farm - Based on an evaluation of the strategic options for the Franklin County wind farm performed in the third quarter of 2016, Alliant Energy concluded, as of September 30, 2016, it was probable the Franklin County wind farm will be transferred to IPL. As a result, Alliant Energy performed an impairment analysis of such assets in the third quarter of 2016. The impairment analysis evaluated the value of the assets and a reasonable estimate of the amount of costs associated with the Franklin County wind farm that would be allowed for recovery for IPL’s electric rate-making purposes. Based on various analyses, including discounted cash flows projected from the Franklin County wind farm, recently executed purchased power agreements associated with wind generating facilities located near the Franklin County wind farm, and the

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cost of new wind farms identified through IPL’s planned wind expansion, the current value of the Franklin County wind farm assets as of September 30, 2016 was determined to be approximately $33 million, subject to working capital adjustments. Alliant Energy concluded such value represents a reasonable estimate of the amount IPL will be allowed for recovery for IPL’s electric rate-making purposes. As a result, the carrying amount of the Franklin County wind farm was reduced to its current value, resulting in non-cash, pre-tax asset valuation charges of $86 million (after-tax charges of $51 million, or $0.23 per share) in the third quarter of 2016. Alliant Energy recorded such charges as a reduction to “Property, plant and equipment, net” on its balance sheet in 2016 and charges to “Asset valuation charges for Franklin County wind farm” in its income statements for the three and nine months ended September 30, 2016.

IPL currently anticipates requesting approval from FERC in the fourth quarter of 2016 to transfer the Franklin County wind farm to IPL and expects to complete such transfer in the first quarter of 2017. The final amount to be recovered for IPL’s electric rate-making purposes will be determined by the IUB as part of IPL’s Iowa retail electric rate case for the 2016 Test Year, currently anticipated to be filed in the second quarter of 2017, and therefore the final asset valuation charges are subject to change.

NOTE 4. RECEIVABLES

Sales of Accounts Receivable - IPL maintains a Receivables Agreement whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third party through wholly-owned and consolidated special purpose entities. In March 2016, IPL extended through March 2018 the purchase commitment from the third party to which it sells its receivables. The transfers of receivables meet the criteria for sale accounting established by the transfer of financial assets accounting rules. As of September 30, 2016, IPL sold $252.9 million of receivables to the third party, received $1.0 million in cash proceeds and recorded deferred proceeds of $239.7 million.

IPL’s maximum and average outstanding cash proceeds related to the sales of accounts receivable program for the three and nine months ended September 30 were as follows (in millions):

	Three Months		Nine Months	
	2016	2015	2016	2015
Maximum outstanding aggregate cash proceeds (based on daily outstanding balances)	$172.0	$137.0	$172.0	$137.0
Average outstanding aggregate cash proceeds (based on daily outstanding balances)	112.3	41.2	91.5	62.1

For the three and nine months ended September 30, 2016 and 2015, IPL’s costs incurred related to the sales of accounts receivable program were not material.

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

	September 30, 2016	December 31, 2015
Customer accounts receivable	$172.9	$109.7
Unbilled utility revenues	79.8	71.3
Other receivables	0.2	0.1
Receivables sold to third party	252.9	181.1
Less: cash proceeds (a)	1.0	5.0
Deferred proceeds	251.9	176.1
Less: allowance for doubtful accounts	12.2	4.1
Fair value of deferred proceeds	$239.7	$172.0

(a)

Changes in cash proceeds are presented in “Sales of accounts receivable” in operating activities in Alliant Energy’s and IPL’s cash flows statements.

As of September 30, 2016, outstanding receivables past due under the Receivables Agreement were $64.5 million. Additional attributes of IPL’s receivables sold under the Receivables Agreement for the three and nine months ended September 30 were as follows (in millions):

	Three Months		Nine Months	
	2016	2015	2016	2015
Collections reinvested in receivables	$499.7	$480.1	$1,362.1	$1,403.1
Write-offs (recoveries), net	(0.3)	3.3	(0.6)	6.8

In connection with the implementation of IPL's new customer billing and information system in the first quarter of 2016, IPL postponed the write-off of customer bills, resulting in lower write-offs for the three and nine months ended September 30, 2016.

NOTE 5. INVESTMENTS

NOTE 5(a) Unconsolidated Equity Investments - Equity (income) loss from unconsolidated investments accounted for under the equity method of accounting for the three and nine months ended September 30 was as follows (in millions):

	Alliant Energy				WPL			
	Three Months		Nine Months		Three Months		Nine Months	
	2016	2015	2016	2015	2016	2015	2016	2015
ATC	($9.1)	($10.9)	($28.6)	($29.6)	($9.1)	($10.9)	($28.6)	($29.6)
Other	(0.1)	(0.2)	(0.2)	0.7	(0.2)	(0.2)	(0.4)	(0.6)
	($9.2)	($11.1)	($28.8)	($28.9)	($9.3)	($11.1)	($29.0)	($30.2)

MISO Transmission Owner Return on Equity Complaints - A group of MISO cooperative and municipal utilities previously filed two complaints with FERC requesting a reduction of the base return on equity used by MISO transmission owners, including ATC. In September 2016, FERC issued an order on the first complaint to reduce the base return on equity for the refund period from November 12, 2013 through February 11, 2015. In June 2016, a FERC administrative law judge issued an initial decision regarding the second complaint recommending a reduction of the base return on equity for the refund period from February 12, 2015 through May 11, 2016. A final decision on the second complaint from FERC is currently expected in the first half of 2017. Alliant Energy and WPL have realized a cumulative $24 million of reductions in the amount of equity income from ATC as a result of the two complaints through September 30, 2016, including $9 million during the nine months ended September 30, 2016.

NOTE 5(b) Cash Surrender Value of Life Insurance Policies - During the nine months ended September 30, 2016, certain of Alliant Energy's and IPL's company-owned life insurance policies were liquidated. The related proceeds of $31 million and $19 million were recorded in investing activities in Alliant Energy's and IPL's cash flows statements, respectively.

NOTE 6. COMMON EQUITY

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

Shares outstanding, January 1, 2016	226,918,432
Shareowner Direct Plan issuances	559,588
Equity-based compensation plans (Note 9(b))	22,408
Shares outstanding, September 30, 2016	227,500,428

At-the-Market Offering Program - During the nine months ended September 30, 2015, Alliant Energy issued 4,373,234 shares of common stock through an at-the-market offering program and received cash proceeds of $133 million, net of $2 million in fees and commissions. The proceeds from the issuances of common stock were used for general corporate purposes.

Common Stock Split - On April 20, 2016, Alliant Energy's Board of Directors approved a two-for-one common stock split and a proportionate increase in the number of authorized shares of common stock of Alliant Energy from 240 million shares to 480 million shares to implement the stock split. Alliant Energy shareowners of record at the close of business on May 4, 2016 received one additional share of Alliant Energy common stock for each share held on that date. The proportionate interest that a shareowner owns in Alliant Energy did not change as a result of the stock split. The additional shares were distributed on May 19, 2016 and post-split trading began on May 20, 2016. All Alliant

Energy share and per share amounts in this report have been reflected on a post-split basis.

Dividend Restrictions - As of September 30, 2016, IPL’s amount of retained earnings that were free of dividend restrictions was $632 million. As of September 30, 2016, WPL’s amount of retained earnings that were free of dividend restrictions was $34 million for the remainder of 2016.

Restricted Net Assets of Subsidiaries - As of September 30, 2016, the amount of net assets of IPL and WPL that were not available to be transferred to their parent company, Alliant Energy, in the form of loans, advances or cash dividends without the consent of IPL’s and WPL’s regulatory authorities was $1.5 billion and $1.8 billion, respectively.

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Capital Transactions with Subsidiaries - For the nine months ended September 30, 2016, IPL received capital contributions of $65.0 million from its parent company. For the nine months ended September 30, 2016, IPL and WPL paid common stock dividends of $114.0 million and $101.2 million, respectively, to their parent company.

Comprehensive Income - For the three and nine months ended September 30, 2016 and 2015, Alliant Energy had no other comprehensive income; therefore, its comprehensive income was equal to its net income and its comprehensive income attributable to Alliant Energy common shareowners was equal to its net income attributable to Alliant Energy common shareowners for such periods. For the three and nine months ended September 30, 2016 and 2015, IPL and WPL had no other comprehensive income; therefore, their comprehensive income was equal to their net income and their comprehensive income available for common stock was equal to their earnings available for common stock for such periods.

NOTE 7. DEBT

NOTE 7(a) Short-term Debt - Information regarding commercial paper classified as short-term debt was as follows (dollars in millions):

September 30, 2016	Alliant Energy (Consolidated)	Parent Company	IPL	WPL
Commercial paper:				
Amount outstanding	$238.3	$226.5	$—	$11.8
Weighted average remaining maturity	4 days	4 days	N/A	3 days
Weighted average interest rates	0.6%	0.7%	N/A	0.4%
Available credit facility capacity	$761.7	$73.5	$300.0	$388.2

	Alliant Energy		IPL		WPL	
Three Months Ended September 30	2016	2015	2016	2015	2016	2015
Maximum amount outstanding (based on daily outstanding balances)	$248.0	$181.2	$3.1	$18.4	$55.4	$—
Average amount outstanding (based on daily outstanding balances)	$220.1	$122.4	$0.1	$0.5	$36.4	$—
Weighted average interest rates	0.6 %	0.4 %	0.6 %	0.4 %	0.4%	N/A
Nine Months Ended September 30						
Maximum amount outstanding (based on daily outstanding balances)	$248.0	$181.2	$3.1	$18.4	$62.9	$—
Average amount outstanding (based on daily outstanding balances)	$210.7	$114.5	$—	$0.2	$33.2	$—
Weighted average interest rates	0.6 %	0.4 %	0.6 %	0.4 %	0.4%	N/A

NOTE 7(b) Long-term Debt - In September 2016, IPL issued $300 million of 3.7% senior debentures due 2046. The proceeds from the issuance were used by IPL to reduce cash amounts received from its sales of accounts receivable program, reduce commercial paper classified as long-term debt by $100 million and for general corporate purposes.

In October 2016, AEF entered into a $500 million variable-rate (1.3% at October 31, 2016) term loan credit agreement and used the proceeds from borrowings under this agreement to retire borrowings under Alliant Energy's and Franklin County Holdings LLC's variable-rate term loan credit agreements that matured in 2016, reduce outstanding commercial paper and for general corporate purposes. AEF's term loan credit agreement expires in October 2018 and includes substantially the same financial covenants that are included in Alliant Energy's credit facility agreement.

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NOTE 8. INCOME TAXES

Income Tax Rates - The overall income tax rates shown in the following table were computed by dividing income tax expense (benefit) by income from continuing operations before income taxes.

	Alliant Energy		IPL		WPL	
Three Months Ended September 30	2016	2015	2016	2015	2016	2015
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %
IPL's tax benefit riders	(13.1)	(11.0)	(20.1)	(30.0)	—	—
Effect of rate-making on property-related differences	(11.9)	(7.1)	(16.5)	(18.7)	(0.7)	(0.7)
Production tax credits	(9.0)	(6.7)	(6.0)	(8.6)	(5.7)	(6.1)
Other items, net	4.4	3.0	5.4	3.7	4.0	4.1
Overall income tax rate	5.4 %	13.2 %	(2.2 %)	(18.6%)	32.6%	32.3%

	Alliant Energy		IPL		WPL	
Nine Months Ended September 30	2016	2015	2016	2015	2016	2015
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %
IPL's tax benefit riders	(10.2)	(10.6)	(19.6)	(28.2)	—	—
Effect of rate-making on property-related differences	(8.2)	(7.1)	(14.8)	(17.9)	(0.8)	(0.6)
Production tax credits	(7.2)	(6.6)	(6.1)	(8.0)	(6.1)	(6.3)
Other items, net	3.5	3.7	4.2	4.2	4.4	4.2
Overall income tax rate	12.9 %	14.4 %	(1.3 %)	(14.9%)	32.5%	32.3%

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

Deferred Tax Assets and Liabilities - For the nine months ended September 30, 2016, Alliant Energy's, IPL's and WPL's deferred tax liabilities increased $149.4 million, $115.6 million and $103.4 million, respectively. These increases in deferred tax liabilities were primarily due to property-related differences recorded during the nine months ended September 30, 2016.

Carryforwards - At September 30, 2016, tax carryforwards and associated deferred tax assets and expiration dates were estimated as follows (dollars in millions):

		Alliant Energy		IPL		WPL	
	Earliest Expiration Date	Tax Carryforwards	Deferred Tax Assets	Tax Carryforwards	Deferred Tax Assets	Tax Carryforwards	Deferred Tax Assets
Federal net operating losses	2030	$587	$201	$255	$86	$242	$85
State net operating losses	2018	674	35	15	1	3	—
Federal tax credits	2022	264	260	95	91	108	107
			$496		$178		$192

NOTE 9. BENEFIT PLANS

NOTE 9(a) Pension and Other Postretirement Benefits Plans -

Net Periodic Benefit Costs (Credits) - The components of net periodic benefit costs (credits) for sponsored defined benefit pension and OPEB plans for the three and nine months ended September 30 are included in the tables below (in millions). In IPL's and WPL's tables below, the defined benefit pension plans costs represent those respective costs for their bargaining unit employees covered under the qualified plans that they sponsor, as well as amounts directly assigned to them related to their current and former non-bargaining employees who are participants in the Alliant Energy and Corporate Services sponsored qualified and non-qualified defined benefit pension plans. In IPL's and

WPL's tables below, the OPEB plans costs (credits) represent respective costs (credits) for their employees, as well as amounts directly assigned to them related to their current and former non-bargaining employees who are participants in the Corporate Services sponsored OPEB plan.

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	Defined Benefit Pension Plans				OPEB Plans			
	Three Months		Nine Months		Three Months		Nine Months	
Alliant Energy	2016	2015	2016	2015	2016	2015	2016	2015
Service cost	$3.2	$4.0	$9.5	$11.9	$1.4	$1.3	$4.0	$4.1
Interest cost	13.2	13.5	39.7	40.3	2.3	2.3	7.0	6.8
Expected return on plan assets	(16.3)	(18.7)	(49.1)	(56.2)	(1.6)	(2.1)	(4.6)	(6.3)
Amortization of prior service credit	(0.1)	(0.1)	(0.2)	(0.2)	(1.0)	(2.8)	(3.1)	(8.4)
Amortization of actuarial loss	9.3	8.8	28.0	26.5	1.2	1.2	3.6	3.6
Additional benefit costs	—	0.1	—	0.4	—	—	—	—
	$9.3	$7.6	$27.9	$22.7	$2.3	($0.1)	$6.9	($0.2)

	Defined Benefit Pension Plans				OPEB Plans			
	Three Months		Nine Months		Three Months		Nine Months	
IPL	2016	2015	2016	2015	2016	2015	2016	2015
Service cost	$1.8	$2.2	$5.6	$6.6	$0.5	$0.6	$1.7	$1.8
Interest cost	6.1	6.2	18.4	18.7	1.0	0.9	2.9	2.8
Expected return on plan assets	(7.7)	(8.9)	(23.2)	(26.8)	(1.0)	(1.4)	(3.2)	(4.2)
Amortization of prior service credit	—	—	(0.1)	(0.1)	(0.7)	(1.5)	(2.0)	(4.6)
Amortization of actuarial loss	4.2	3.8	12.4	11.5	0.7	0.6	2.0	1.7
	$4.4	$3.3	$13.1	$9.9	$0.5	($0.8)	$1.4	($2.5)

	Defined Benefit Pension Plans				OPEB Plans			
	Three Months		Nine Months		Three Months		Nine Months	
WPL	2016	2015	2016	2015	2016	2015	2016	2015
Service cost	$1.3	$1.4	$3.7	$4.3	$0.5	$0.5	$1.5	$1.6
Interest cost	5.5	5.6	16.7	16.9	0.9	0.9	2.8	2.7
Expected return on plan assets	(7.0)	(8.1)	(21.2)	(24.3)	(0.2)	(0.3)	(0.6)	(1.1)
Amortization of prior service cost (credit)	—	0.1	0.1	0.2	(0.3)	(0.9)	(0.7)	(2.6)
Amortization of actuarial loss	4.4	4.2	13.2	12.6	0.5	0.6	1.4	1.7
Additional benefit costs	—	0.1	—	0.4	—	—	—	—
	$4.2	$3.3	$12.5	$10.1	$1.4	$0.8	$4.4	$2.3

401(k) Savings Plan - A significant number of employees participate in a defined contribution retirement plan (401(k) savings plan). For the three and nine months ended September 30, costs related to the 401(k) savings plan, which are partially based on the participants' contributions and include allocated costs associated with Corporate Services employees for IPL and WPL, were as follows (in millions):

	Alliant Energy				IPL				WPL			
	Three Months		Nine Months		Three Months		Nine Months		Three Months		Nine Months	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
401(k) costs	$5.6	$6.4	$17.5	$18.7	$2.8	$3.3	$8.8					