INTERSTATE POWER & LIGHT CO
Form 10-Q
May 05, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2011

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	39-1380265

	Madison, Wisconsin 53718 **Telephone (608)458-3311**	
0-4117-1	**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 such registrant on its own behalf. Each of Interstate Power and Light Company and Wisconsin Power and Light Company makes no representation as to information relating to registrants other than itself.

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

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files).

Alliant Energy Corporation	Yes x	No ¨
Interstate Power and Light Company	Yes ¨	No ¨
Wisconsin Power and Light Company	Yes ¨	No ¨

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

of the Exchange Act.

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

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

Number of shares outstanding of each class of common stock as of March 31, 2011:

Alliant Energy Corporation	Common stock, $0.01 par value, 110,942,128 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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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 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 Corporation (Alliant Energy), Interstate Power and Light Company (IPL) and Wisconsin Power and Light Company (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 generating units that may be permanently closed, the earning of reasonable 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 through 2013;
- the state of the economy in IPL s and WPL s service territories and resulting implications on sales, margins and ability to collect unpaid bills;
- IPL s potential rate refunds to customers resulting from final rates set by the Minnesota Public Utilities Commission (MPUC) that are less than the interim rate increases IPL is currently collecting from its Minnesota retail customers;
- developments that adversely impact their ability to implement their strategic plans including unanticipated issues in connection with construction and operation or regulatory approval of a new wind generating facility to utilize the remaining 100 megawatts (MW) of Vestas-American Wind Technology, Inc. (Vestas) wind turbine generator sets without recording an impairment, new emission control equipment for various coal-fired generating facilities, WPL s potential purchase of the Riverside Energy Center (Riverside), and the potential decommissioning of certain generating facilities;
- weather effects on results of operations;
- successful resolution of the pending challenge by interveners of the approval by the Public Service Commission of Wisconsin (PSCW) of WPL s Bent Tree - Phase I wind project;
- issues related to the availability of generating facilities and the supply and delivery of fuel and purchased electricity and 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 fuel and fuel-related prices may have on IPL s and WPL s customers demand for utility services;

the ability to defend against environmental claims brought by state and federal agencies, such as the United States of America (U.S.) Environmental Protection Agency (EPA), or third parties, such as the Sierra Club;

issues associated with environmental remediation efforts and with environmental compliance generally, including changing environmental laws and regulations;

potential impacts of changing regulations on the ability to utilize already-purchased emission allowances and forward contracts to purchase additional emission allowances;

the ability to recover through rates all environmental compliance costs, including costs for projects put on hold due to uncertainty of future environmental laws and regulations;

potential impacts of any future laws or regulations regarding global climate change or carbon emissions reductions, including those that contain proposed regulations (including cap-and-trade) of greenhouse gas (GHG) emissions;

continued access to the capital markets on competitive terms and rates;

inflation and interest rates;

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financial impacts of risk hedging strategies, including the impact of weather hedges or the absence of weather hedges on earnings;

changes to the creditworthiness of counterparties which Alliant Energy, IPL and WPL have contractual arrangements including participants in the energy markets and fuel suppliers and transporters;

sales and project execution for RMT, Inc. (RMT), the level of growth in the wind and solar development market and the impact of the American Recovery and Reinvestment Act of 2009 and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010, and future legislation;

issues related to electric transmission, including operating in Regional Transmission Organization (RTO) energy and ancillary services markets, the impacts of potential future billing adjustments and cost allocation changes from RTOs and recovery of costs incurred;

unplanned outages, transmission constraints or operational issues impacting fossil or renewable generating facilities and risks related to recovery of resulting incremental costs through rates;

Alliant Energy s ability to successfully pursue appropriate appeals with respect to, and any liabilities arising out of, the alleged violation of the Employee Retirement Income Security Act of 1974 by Alliant Energy s Cash Balance Pension Plan;

Alliant Energy s ability to successfully resolve with the Internal Revenue Service (IRS) issues related to Alliant Energy s Cash Balance Pension Plan;

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 additional restructurings;

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;

access to technological developments;

any material post-closing adjustments related to any past asset divestitures;

increased retirement and benefit plan costs;

the impact of necessary accruals for the terms of incentive compensation plans;

the effect of accounting pronouncements issued periodically by standard-setting bodies;

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 and appeals with no material impact on earnings and cash flows;

the direct or indirect effects resulting from terrorist incidents or responses to such incidents; and

factors listed in Management s Discussion and Analysis of Financial Condition and Results of Operations and in Item 1A Risk Factors in the combined Annual Report on Form 10-K filed by Alliant Energy, IPL and WPL for the year ended Dec. 31, 2010 (2010 Form 10-K).

Alliant Energy, IPL and WPL assume no obligation, and disclaim any duty, to update the forward-looking statements in this report.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

ALLIANT ENERGY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended March 31,	
	2011	2010
	(dollars in millions, except per share amounts)	
Operating revenues:		
Utility:		
Electric	$ **620.3**	$ 604.9
Gas	**229.0**	224.9
Other	**16.7**	17.6
Non-regulated	**79.0**	42.8
Total operating revenues	**945.0**	890.2
Operating expenses:		
Utility:		
Electric production fuel and energy purchases	**194.0**	210.4
Purchased electric capacity	**57.8**	63.3
Electric transmission service	**73.6**	62.3
Cost of gas sold	**156.4**	156.4
Other operation and maintenance	**160.6**	150.5
Non-regulated operation and maintenance	**69.9**	38.2
Depreciation and amortization	**78.8**	74.4
Taxes other than income taxes	**26.1**	25.7
Total operating expenses	**817.2**	781.2
Operating income	**127.8**	109.0
Interest expense and other:		
Interest expense	**40.6**	40.7
Equity income from unconsolidated investments, net	**(9.9)**	(9.8)
Allowance for funds used during construction	**(3.1)**	(3.9)
Interest income and other	**(0.8)**	(0.8)
Total interest expense and other	**26.8**	26.2
Income from continuing operations before income taxes	**101.0**	82.8
Income taxes	**22.6**	34.7
Income from continuing operations, net of tax	**78.4**	48.1
Income from discontinued operations, net of tax	**1.3**	
Net income	**79.7**	48.1

Preferred dividend requirements of subsidiaries		**6.2**		4.7
Net income attributable to Alliant Energy common shareowners	**$**	**73.5**	$	43.4
Weighted average number of common shares outstanding (basic) (000s)		**110,569**		110,368
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic):				
Income from continuing operations, net of tax	**$**	**0.65**	$	0.39
Income from discontinued operations, net of tax		**0.01**		
Net income	**$**	**0.66**	$	0.39
Weighted average number of common shares outstanding (diluted) (000s)		**110,632**		110,451
Earnings per weighted average common share attributable to Alliant Energy common shareowners (diluted):				
Income from continuing operations, net of tax	**$**	**0.65**	$	0.39
Income from discontinued operations, net of tax		**0.01**		
Net income	**$**	**0.66**	$	0.39
Amounts attributable to Alliant Energy common shareowners:				
Income from continuing operations, net of tax	**$**	**72.2**	$	43.4
Income from discontinued operations, net of tax		**1.3**		
Net income attributable to Alliant Energy common shareowners	**$**	**73.5**	$	43.4
Dividends declared per common share	**$**	**0.425**	$	0.395

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)

ASSETS	March 31, 2011	December 31, 2010
	(in millions)	
Property, plant and equipment:		
Utility:		
Electric plant in service	**$ 7,954.4**	$ 7,676.8
Gas plant in service	**832.8**	830.1
Other plant in service	**505.8**	499.2
Accumulated depreciation	**(3,066.2)**	(2,982.2)
Net plant	**6,226.8**	6,023.9
Construction work in progress:		
Bent Tree - Phase I wind project (Wisconsin Power and Light Company)		154.5
Other	**178.5**	155.5
Other, less accumulated depreciation	**147.0**	126.0
Total utility	**6,552.3**	6,459.9
Non-regulated and other:		
Non-regulated Generation, less accumulated depreciation	**118.0**	119.0
Alliant Energy Corporate Services, Inc. and other, less accumulated depreciation	**153.1**	151.7
Total non-regulated and other	**271.1**	270.7
Total property, plant and equipment	**6,823.4**	6,730.6
Current assets:		
Cash and cash equivalents	**126.1**	159.3
Accounts receivable:		
Customer, less allowance for doubtful accounts	**140.2**	120.5
Unbilled utility revenues	**70.9**	82.3
Other, less allowance for doubtful accounts	**193.4**	213.1
Production fuel, at weighted average cost	**91.9**	122.8
Materials and supplies, at weighted average cost	**64.1**	61.6
Gas stored underground, at weighted average cost	**14.2**	48.6
Regulatory assets	**84.1**	109.0
Prepayments and other	**192.1**	175.5
Total current assets	**977.0**	1,092.7
Investments:		
Investment in American Transmission Company LLC	**231.0**	227.9
Other	**61.2**	61.3
Total investments	**292.2**	289.2
Other assets:		
Regulatory assets	**1,177.0**	1,032.7

Deferred charges and other	**130.9**	137.7
Total other assets	**1,307.9**	1,170.4
Total assets	**$ 9,400.5**	$ 9,282.9

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

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ALLIANT ENERGY CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

CAPITALIZATION AND LIABILITIES	March 31, 2011	December 31, 2010
	(in millions, except per share and share amounts)	
Capitalization:		
Alliant Energy Corporation common equity:		
Common stock - $0.01 par value - 240,000,000 shares authorized; 110,942,128 and 110,893,901 shares outstanding	**$ 1.1**	$ 1.1
Additional paid-in capital	**1,507.5**	1,506.8
Retained earnings	**1,421.1**	1,394.7
Accumulated other comprehensive loss	**(1.4)**	(1.4)
Shares in deferred compensation trust - 251,729 and 246,301 shares at a weighted average cost of $31.00 and $30.75 per share	**(7.8)**	(7.6)
Total Alliant Energy Corporation common equity	**2,920.5**	2,893.6
Cumulative preferred stock of Interstate Power and Light Company	**185.1**	183.8
Noncontrolling interest	**2.0**	2.0
Total equity	**3,107.6**	3,079.4
Cumulative preferred stock of Wisconsin Power and Light Company	**60.0**	60.0
Long-term debt, net (excluding current portion)	**2,703.6**	2,703.4
Total capitalization	**5,871.2**	5,842.8
Current liabilities:		
Current maturities of long-term debt	**1.3**	1.3
Commercial paper	**32.4**	47.4
Accounts payable	**300.2**	336.3
Regulatory liabilities	**163.9**	173.7
Accrued taxes	**37.7**	45.3
Accrued interest	**46.7**	46.7
Derivative liabilities	**33.1**	55.3
Other	**163.6**	160.7
Total current liabilities	**778.9**	866.7
Other long-term liabilities and deferred credits:		
Deferred income taxes	**1,472.7**	1,434.3
Regulatory liabilities	**770.0**	626.4
Pension and other benefit obligations	**299.2**	303.8
Other	**208.5**	208.9
Total long-term liabilities and deferred credits	**2,750.4**	2,573.4
Total capitalization and liabilities	**$ 9,400.5**	$ 9,282.9

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

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ALLIANT ENERGY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Three Months Ended March 31,	
	2011	2010
	(in millions)	
Cash flows from operating activities:		
Net income	**$ 79.7**	$ 48.1
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	**78.8**	74.9
Other amortizations	**13.8**	12.8
Deferred tax expense (benefit) and investment tax credits	**(4.1)**	28.4
Equity income from unconsolidated investments, net	**(9.9)**	(9.8)
Distributions from equity method investments	**8.3**	8.5
Other	**1.3**	(1.4)
Other changes in assets and liabilities:		
Accounts receivable	**(0.4)**	23.1
Sales of accounts receivable	**10.0**	
Production fuel	**32.6**	25.6
Gas stored underground	**34.4**	25.5
Regulatory assets	**(137.1)**	(77.5)
Accounts payable	**2.2**	(36.9)
Regulatory liabilities	**159.2**	(11.5)
Derivative liabilities	**(25.9)**	26.7
Deferred income taxes	**45.0**	(13.0)
Pension and other benefit obligations	**(4.6)**	34.4
Accrued incentive compensation and other	**(22.0)**	31.3
Net cash flows from operating activities	**261.3**	189.2
Cash flows used for investing activities:		
Construction and acquisition expenditures:		
Utility business	**(229.4)**	(222.6)
Alliant Energy Corporate Services, Inc. and non-regulated businesses	**(7.7)**	(6.7)
Other	**3.8**	(2.9)
Net cash flows used for investing activities	**(233.3)**	(232.2)
Cash flows from (used for) financing activities:		
Common stock dividends	**(47.1)**	(43.6)
Preferred dividends paid by subsidiaries	**(4.7)**	(4.7)
Payments to retire long-term debt		(100.0)
Net change in short-term borrowings	**(15.0)**	160.3
Other	**5.6**	(4.1)
Net cash flows from (used for) financing activities	**(61.2)**	7.9
Net decrease in cash and cash equivalents	**(33.2)**	(35.1)
Cash and cash equivalents at beginning of period	**159.3**	175.3
Cash and cash equivalents at end of period	**$ 126.1**	$ 140.2

Supplemental cash flows information:				
Cash paid (refunded) during the period for:				
Interest, net of capitalized interest	**$**	**40.2**	$	47.4
Income taxes, net of refunds	**($**	**3.0)**	($	0.8)
Significant noncash investing and financing activities:				
Accrued capital expenditures	**$**	**28.6**	$	47.7

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

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INTERSTATE POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended March 31, 2011	2010
	(in millions)	
Operating revenues:		
Electric utility	**$ 330.2**	$ 309.6
Gas utility	**131.9**	128.7
Steam and other	**15.4**	16.2
Total operating revenues	**477.5**	454.5
Operating expenses:		
Electric production fuel and energy purchases	**96.8**	100.5
Purchased electric capacity	**39.3**	38.6
Electric transmission service	**47.9**	37.6
Cost of gas sold	**92.6**	91.2
Other operation and maintenance	**96.7**	92.3
Depreciation and amortization	**43.9**	43.0
Taxes other than income taxes	**13.2**	13.0
Total operating expenses	**430.4**	416.2
Operating income	**47.1**	38.3
Interest expense and other:		
Interest expense	**19.9**	20.3
Allowance for funds used during construction	**(1.4)**	(1.3)
Interest income and other	**(0.2)**	(0.3)
Total interest expense and other	**18.3**	18.7
Income before income taxes	**28.8**	19.6
Income taxes	**1.7**	9.9
Net income	**27.1**	9.7
Preferred dividend requirements	**5.4**	3.9
Earnings available for common stock	**$ 21.7**	$ 5.8

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)

ASSETS	March 31, 2011	December 31, 2010
	(in millions)	
Property, plant and equipment:		
Electric plant in service	**$ 4,554.0**	$ 4,562.2
Gas plant in service	**420.2**	418.7
Steam plant in service	**34.9**	34.9
Other plant in service	**248.6**	245.3
Accumulated depreciation	**(1,760.0)**	(1,738.4)
Net plant	**3,497.7**	3,522.7
Construction work in progress	**87.0**	74.5
Other, less accumulated depreciation	**132.4**	106.0
Total property, plant and equipment	**3,717.1**	3,703.2
Current assets:		
Cash and cash equivalents	**3.9**	5.7
Accounts receivable, less allowance for doubtful accounts	**153.7**	174.1
Income tax refunds receivable	**27.8**	19.1
Production fuel, at weighted average cost	**59.7**	80.1
Materials and supplies, at weighted average cost	**33.2**	33.5
Gas stored underground, at weighted average cost	**3.8**	21.8
Regulatory assets	**46.2**	59.0
Prepayments and other	**21.0**	34.9
Total current assets	**349.3**	428.2
Investments	**16.5**	16.4
Other assets:		
Regulatory assets	**892.4**	740.6
Deferred charges and other	**50.9**	49.2
Total other assets	**943.3**	789.8
Total assets	**$ 5,026.2**	$ 4,937.6

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

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INTERSTATE POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

CAPITALIZATION AND LIABILITIES	March 31, 2011	December 31, 2010
	(in millions, except per share and share amounts)	
Capitalization:		
Interstate Power and Light Company common equity:		
Common stock - $2.50 par value - 24,000,000 shares authorized; 13,370,788 shares outstanding	**$ 33.4**	$ 33.4
Additional paid-in capital	**944.5**	974.0
Retained earnings	**404.1**	382.4
Total Interstate Power and Light Company common equity	**1,382.0**	1,389.8
Cumulative preferred stock	**185.1**	183.8
Total equity	**1,567.1**	1,573.6
Long-term debt, net	**1,308.7**	1,308.6
Total capitalization	**2,875.8**	2,882.2
Current liabilities:		
Accounts payable	**123.1**	146.0
Accounts payable to associated companies	**52.8**	37.1
Regulatory liabilities	**146.2**	155.8
Accrued taxes	**34.0**	62.4
Accrued interest	**23.0**	22.8
Derivative liabilities	**11.2**	23.0
Other	**34.3**	35.4
Total current liabilities	**424.6**	482.5
Other long-term liabilities and deferred credits:		
Deferred income taxes	**861.3**	849.0
Regulatory liabilities	**610.1**	472.1
Pension and other benefit obligations	**109.7**	110.2
Other	**144.7**	141.6
Total other long-term liabilities and deferred credits	**1,725.8**	1,572.9
Total capitalization and liabilities	**$ 5,026.2**	$ 4,937.6

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

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INTERSTATE POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Three Months Ended March 31, 2011	2010
	(in millions)	
Cash flows from operating activities:		
Net income	**$ 27.1**	$ 9.7
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	**43.9**	43.0
Deferred tax expense (benefit) and investment tax credits	**(37.3)**	18.5
Other	**2.0**	1.9
Other changes in assets and liabilities:		
Accounts receivable	**10.4**	26.2
Sales of accounts receivable	**10.0**	
Production fuel	**20.4**	16.0
Gas stored underground	**18.0**	14.0
Regulatory assets	**(145.0)**	(37.8)
Accounts payable	**(7.1)**	(24.2)
Regulatory liabilities	**159.0**	(3.5)
Accrued taxes	**(28.4)**	(9.6)
Deferred income taxes	**49.5**	(6.7)
Pension and other benefit obligations	**(0.5)**	14.8
Other	**6.3**	0.7
Net cash flows from operating activities	**128.3**	63.0
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	**(104.6)**	(84.0)
Other	**(5.2)**	(11.6)
Net cash flows used for investing activities	**(109.8)**	(95.6)
Cash flows from (used for) financing activities:		
Preferred stock dividends	**(3.9)**	(3.9)
Capital contributions from parent		50.0
Repayment of capital to parent	**(29.8)**	(29.0)
Net change in short-term borrowings		18.9
Changes in cash overdrafts	**13.3**	(3.0)
Other	**0.1**	0.1
Net cash flows from (used for) financing activities	**(20.3)**	33.1
Net increase (decrease) in cash and cash equivalents	**(1.8)**	0.5
Cash and cash equivalents at beginning of period	**5.7**	0.4
Cash and cash equivalents at end of period	**$ 3.9**	$ 0.9
Supplemental cash flows information:		
Cash paid during the period for:		
Interest	**$ 19.3**	$ 22.6

Income taxes, net of refunds	**$**	**22.0**	$	0.8
Significant noncash investing and financing activities:				
Accrued capital expenditures	**$**	**16.6**	$	40.0

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

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WISCONSIN POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended March 31,	
	2011	2010
	(in millions)	
Operating revenues:		
Electric utility	**$ 290.1**	$ 295.3
Gas utility	**97.1**	96.2
Other	**1.3**	1.4
Total operating revenues	**388.5**	392.9
Operating expenses:		
Electric production fuel and energy purchases	**97.2**	109.9
Purchased electric capacity	**18.5**	24.7
Electric transmission service	**25.7**	24.7
Cost of gas sold	**63.8**	65.2
Other operation and maintenance	**63.9**	58.2
Depreciation and amortization	**33.4**	29.9
Taxes other than income taxes	**11.2**	10.6
Total operating expenses	**313.7**	323.2
Operating income	**74.8**	69.7
Interest expense and other:		
Interest expense	**20.1**	19.8
Equity income from unconsolidated investments	**(9.4)**	(9.5)
Allowance for funds used during construction	**(1.7)**	(2.6)
Total interest expense and other	**9.0**	7.7
Income before income taxes	**65.8**	62.0
Income taxes	**21.4**	25.0
Net income	**44.4**	37.0
Preferred dividend requirements	**0.8**	0.8
Earnings available for common stock	**$ 43.6**	$ 36.2

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)

ASSETS	March 31, 2011	December 31, 2010
	(in millions)	
Property, plant and equipment:		
Electric plant in service	**$ 3,400.4**	$ 3,114.6
Gas plant in service	**412.6**	411.4
Other plant in service	**222.3**	219.0
Accumulated depreciation	**(1,306.2)**	(1,243.8)
Net plant	**2,729.1**	2,501.2
Leased Sheboygan Falls Energy Facility, less accumulated amortization	**87.8**	89.4
Construction work in progress:		
Bent Tree - Phase I wind project		154.5
Other	**91.5**	81.0
Other, less accumulated depreciation	**14.6**	20.0
Total property, plant and equipment	**2,923.0**	2,846.1
Current assets:		
Cash and cash equivalents	**1.0**	0.1
Accounts receivable:		
Customer, less allowance for doubtful accounts	**91.0**	84.2
Unbilled utility revenues	**70.9**	82.3
Other, less allowance for doubtful accounts	**37.9**	38.1
Income tax refunds receivable	**9.2**	40.6
Production fuel, at weighted average cost	**32.2**	42.7
Materials and supplies, at weighted average cost	**27.5**	25.7
Gas stored underground, at weighted average cost	**10.4**	26.8
Regulatory assets	**37.9**	50.0
Prepaid gross receipts tax	**29.5**	38.6
Prepayments and other	**13.2**	15.9
Total current assets	**360.7**	445.0
Investments:		
Investment in American Transmission Company LLC	**231.0**	227.9
Other	**20.0**	20.8
Total investments	**251.0**	248.7
Other assets:		
Regulatory assets	**284.6**	292.1
Deferred charges and other	**52.5**	57.7
Total other assets	**337.1**	349.8
Total assets	**$ 3,871.8**	$ 3,889.6

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

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WISCONSIN POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

CAPITALIZATION AND LIABILITIES	March 31, 2011	December 31, 2010
	(in millions, except per share and share amounts)	
Capitalization:		
Wisconsin Power and Light Company common equity:		
Common stock - $5 par value - 18,000,000 shares authorized; 13,236,601 shares outstanding	**$ 66.2**	$ 66.2
Additional paid-in capital	**844.0**	844.0
Retained earnings	**475.0**	459.1
Total Wisconsin Power and Light Company common equity	**1,385.2**	1,369.3
Cumulative preferred stock	**60.0**	60.0
Long-term debt, net (excluding current portion)	**1,081.8**	1,081.7
Total capitalization	**2,527.0**	2,511.0
Current liabilities:		
Commercial paper	**32.4**	47.4
Accounts payable	**80.8**	118.5
Accounts payable to associated companies	**22.1**	16.0
Regulatory liabilities	**17.7**	17.9
Accrued interest	**18.1**	21.6
Derivative liabilities	**21.9**	32.3
Other	**36.8**	38.9
Total current liabilities	**229.8**	292.6
Other long-term liabilities and deferred credits:		
Deferred income taxes	**601.6**	570.4
Regulatory liabilities	**159.9**	154.3
Capital lease obligations - Sheboygan Falls Energy Facility	**106.1**	107.0
Pension and other benefit obligations	**118.8**	119.2
Other	**128.6**	135.1
Total long-term liabilities and deferred credits	**1,115.0**	1,086.0
Total capitalization and liabilities	**$ 3,871.8**	$ 3,889.6

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

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WISCONSIN POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Three Months Ended March 31, 2011	2010
	(in millions)	
Cash flows from operating activities:		
Net income	**$ 44.4**	$ 37.0
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	**33.4**	29.9
Other amortizations	**10.6**	10.3
Deferred tax expense and investment tax credits	**30.8**	13.0
Equity income from unconsolidated investments	**(9.4)**	(9.5)
Distributions from equity method investments	**8.3**	8.5
Other	**4.3**	(1.7)
Other changes in assets and liabilities:		
Income tax refunds receivable	**31.4**	11.7
Production fuel	**12.2**	9.6
Gas stored underground	**16.4**	11.5
Regulatory assets	**7.9**	(39.7)
Prepaid gross receipts tax	**9.1**	8.7
Accounts payable	**(19.2)**	(17.8)
Derivative liabilities	**(13.2)**	16.0
Pension and other benefit obligations	**(0.4)**	11.4
Other	**6.8**	8.8
Net cash flows from operating activities	**173.4**	107.7
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	**(124.8)**	(138.6)
Other	**0.5**	4.3
Net cash flows used for investing activities	**(124.3)**	(134.3)
Cash flows from (used for) financing activities:		
Common stock dividends	**(27.7)**	(28.1)
Preferred stock dividends	**(0.8)**	(0.8)
Payments to retire long-term debt		(100.0)
Net change in short-term borrowings	**(15.0)**	141.4
Other	**(4.7)**	(2.3)
Net cash flows from (used for) financing activities	**(48.2)**	10.2
Net increase (decrease) in cash and cash equivalents	**0.9**	(16.4)
Cash and cash equivalents at beginning of period	**0.1**	18.5
Cash and cash equivalents at end of period	**$ 1.0**	$ 2.1
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest	**$ 23.5**	$ 27.6

Income taxes, net of refunds	**($**	**33.2)**	($	0.7)
Significant noncash investing and financing activities:				
Accrued capital expenditures	**$**	**10.3**	$	7.5

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

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ALLIANT ENERGY CORPORATION

INTERSTATE POWER AND LIGHT COMPANY

WISCONSIN POWER AND LIGHT COMPANY

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General - The interim condensed consolidated financial statements included herein have been prepared by Alliant Energy, IPL and WPL, without audit, 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 accounting principles generally accepted in the U.S. (GAAP) have been condensed or omitted, although management believes that the disclosures are adequate to make the information presented not misleading. Alliant Energy s condensed consolidated financial statements include the accounts of Alliant Energy and its consolidated subsidiaries (including IPL, WPL, Alliant Energy Resources, LLC (Resources) and Alliant Energy Corporate Services, Inc. (Corporate Services)). IPL s condensed consolidated financial statements include the accounts of IPL and its consolidated subsidiary. WPL s condensed consolidated financial statements include the accounts of WPL and its consolidated subsidiary. These financial statements should be read in conjunction with the financial statements and the notes thereto included in Alliant Energy s, IPL s and WPL s 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 condensed consolidated results of operations for the three months ended March 31, 2011 and 2010, the condensed consolidated financial position at March 31, 2011 and Dec. 31, 2010, and the condensed consolidated statements of cash flows for the three months ended March 31, 2011 and 2010 have been made. Results for the three months ended March 31, 2011 are not necessarily indicative of results that may be expected for the year ending Dec. 31, 2011. A change in management s estimates or assumptions could have a material impact on Alliant Energy s, IPL s and WPL s respective financial condition and results of operations during the period in which such change occurred. Certain prior period amounts have been reclassified on a basis consistent with the current period financial statement presentation. Unless otherwise noted, the notes herein have been revised to exclude discontinued operations for all periods presented.

(b) Regulatory Assets and Regulatory Liabilities -

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

	Alliant Energy		IPL		WPL	
	March 31, 2011	Dec. 31, 2010	**March 31, 2011**	Dec. 31, 2010	**March 31, 2011**	Dec. 31, 2010
Tax-related	**$ 555.6**	$ 395.9	**$ 536.6**	$ 377.2	**$ 19.0**	$ 18.7
Pension and other postretirement benefits costs	**412.7**	418.9	**214.3**	217.4	**198.4**	201.5
Asset retirement obligations	**50.4**	49.6	**33.5**	33.2	**16.9**	16.4
Derivatives	**41.3**	66.8	**11.3**	24.0	**30.0**	42.8
Environmental-related costs	**40.5**	38.4	**33.5**	32.1	**7.0**	6.3
IPL s electric transmission service costs	**31.2**	33.3	**31.2**	33.3		
Proposed base-load projects costs	**25.3**	27.3	**17.5**	18.9	**7.8**	8.4
Debt redemption costs	**23.2**	23.7	**16.1**	16.5	**7.1**	7.2
Proposed clean air compliance projects costs	**16.3**	17.9	**9.6**	9.5	**6.7**	8.4
IPL s Sixth Street Generating Station costs	**15.4**	15.7	**15.4**	15.7		
IPL s flood-related costs	**10.8**	11.7	**10.8**	11.7		
WPL s benefits costs	**8.1**	8.8			**8.1**	8.8
Wholesale customer rate recovery	**6.4**	10.5	**2.1**	2.6	**4.3**	7.9
Other	**23.9**	23.2	**6.7**	7.5	**17.2**	15.7
	$ 1,261.1	$ 1,141.7	**$ 938.6**	$ 799.6	**$ 322.5**	$ 342.1

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

	Alliant Energy		IPL		WPL	
	March 31, 2011	Dec. 31, 2010	**March 31, 2011**	Dec. 31, 2010	**March 31, 2011**	Dec. 31, 2010
Cost of removal obligations	**$ 402.2**	$ 395.4	**$ 258.7**	$ 257.6	**$ 143.5**	$ 137.8
IPL s customer cost management plan	**342.2**	193.5	**342.2**	193.5		
IPL s electric transmission assets sale	**61.9**	71.8	**61.9**	71.8		
Emission allowances	**29.7**	34.4	**29.7**	33.9		0.5
Commodity cost recovery	**23.8**	12.7	**19.7**	7.5	**4.1**	5.2
IPL s Duane Arnold Energy Center (DAEC) sale	**18.3**	42.3	**18.3**	42.3		
Tax-related (excl. customer cost management plan)	**16.4**	16.8	**4.5**	4.6	**11.9**	12.2
Derivatives	**7.3**	11.0	**3.1**	4.3	**4.2**	6.7
IPL s Iowa retail rate refund reserve	**5.4**	3.9	**5.4**	3.9		
Other	**26.7**	18.3	**12.8**	8.5	**13.9**	9.8
	$ 933.9	$ 800.1	**$ 756.3**	$ 627.9	**$ 177.6**	$ 172.2

Tax-related and IPL s Customer Cost Management Plan - Alliant Energy s and IPL s Tax-related regulatory assets and IPL s customer cost management plan regulatory liabilities in the above tables increased significantly in the first quarter of 2011 due to the impacts of a change in tax accounting method for mixed service costs. Refer to Note 4 for additional details of the change in tax accounting method for mixed service costs.

Derivatives - In accordance with IPL s and WPL s fuel and natural gas recovery mechanisms, prudently incurred costs from derivative instruments are recovered from customers in the future after any losses are realized and gains from derivative instruments are refunded to customers in the future after any gains are realized. Based on these recovery mechanisms, the changes in the fair value of derivative liabilities/assets resulted in comparable changes to regulatory assets/liabilities on Alliant Energy s, IPL s and WPL s Condensed Consolidated Balance Sheets during 2011. Refer to Note 10(a) for additional details of Alliant Energy s, IPL s and WPL s derivative assets and liabilities.

IPL s Whispering Willow - East Wind Project - In accordance with the Iowa Utilities Board s (IUB s) January 2011 order related to IPL s 2009 test year Iowa retail electric rate case, Alliant Energy and IPL used $23 million of IPL s DAEC sale regulatory liability and $3 million of IPL s electric transmission assets sale regulatory liability in the first quarter of 2011 to offset IPL s Whispering Willow East wind project plant in service balance. As a result, Alliant Energy and IPL recorded reductions of $26 million in both Electric plant in service and Regulatory liabilities on their Condensed Consolidated Balance Sheets in the first quarter of 2011.

(c) Utility Property, Plant and Equipment -

WPL s Bent Tree - Phase I Wind Project - In 2009, WPL received approval from the MPUC and PSCW to construct the initial 200 MW of the Bent Tree wind site, Bent Tree - Phase I, which began generating electricity in late 2010. As of March 31, 2011, WPL incurred capitalized expenditures of $428 million and recognized $14 million of allowance for funds used during construction related to the Bent Tree - Phase I wind project. In 2010, WPL placed $265 million of the project into service. In the first quarter of 2011, WPL placed the remaining portion of the project into service, which resulted in a transfer of $177 million of capitalized project costs from Construction work in progress - Bent Tree - Phase I wind project to Electric plant in service on Alliant Energy s and WPL s Condensed Consolidated Balance Sheets in the first quarter of 2011. These capitalized costs for the project are being depreciated using a straight-line method of depreciation over a 30-year period.

WPL s Green Lake and Fond du Lac Counties Wind Site - In 2009, WPL purchased development rights to an approximately 100 MW wind site in Green Lake and Fond du Lac counties in Wisconsin. Due to events in the first quarter of 2011 resulting in uncertainty regarding wind siting requirements in Wisconsin and increased risks with permitting this wind site, WPL determined it would be difficult to effectively use the site for wind development. As a result, WPL recognized a $5 million impairment in the first quarter of 2011 for the amount of capitalized costs incurred for this site. The impairment was recorded as a reduction to Other property, plant and equipment on Alliant Energy s and WPL s Condensed Consolidated Balance Sheets and a charge to Other operation and maintenance in Alliant Energy s and WPL s Condensed Consolidated Statements of Income in the first quarter of 2011.

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Wind Turbine Generators - In 2008, Alliant Energy entered into a master supply agreement with Vestas to purchase 500 MW of wind turbine generator sets and related equipment. Alliant Energy utilized 400 MW of these wind turbine generator sets and related equipment to construct IPL s Whispering Willow - East wind project and WPL s Bent Tree - Phase I wind project. Alliant Energy is currently evaluating various options to deploy the remaining 100 MW of wind turbine generator sets and related equipment, which include building a 100 MW wind project in Iowa, exchanging the wind turbine generators for an interest in a partnership with a wind project developer, and selling the wind turbine generators to a third party. As of March 31, 2011, the capitalized costs related to the remaining 100 MW of wind turbine generator sets and related equipment were $109 million, which were recorded in Other property, plant and equipment on Alliant Energy s and IPL s Condensed Consolidated Balance Sheets.

WPL s Edgewater Unit 5 Purchase - In March 2011, WPL purchased Wisconsin Electric Power Company s (WEPCO s) 25% ownership interest in Edgewater Unit 5 for $38 million. The $38 million was equal to WEPCO s net book value of the facility and related assets at the time of the purchase. WPL now owns 100% of Edgewater Unit 5. As of the closing date, the carrying values of the assets purchased were as follows (in millions):

Electric plant in service	$ 84
Accumulated depreciation	(50)
Construction work in progress	2
Production fuel	1
Materials and supplies	1
	$ 38

(d) Comprehensive Income - For the three months ended March 31, 2011 and 2010, Alliant Energy had no other comprehensive income; therefore, its comprehensive income was equal to its net income for such periods. For the three months ended March 31, 2011 and 2010, IPL and WPL had no other comprehensive income; therefore, their comprehensive income was equal to their earnings available for common stock for such periods.

(2) UTILITY RATE CASES

IPL s Minnesota Retail Electric Rate Case (2009 Test Year) - In May 2010, IPL filed a request with the MPUC to increase annual rates for its Minnesota retail electric customers by $15 million, or approximately 22%. The request was 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 include recovery of investments in the Whispering Willow - East wind project and emission control 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. The interim retail rate increase was approved by the MPUC and is subject to refund pending determination of final rates from the request. In April 2011, the Minnesota Administrative Law Judge (ALJ) filed its recommendation for the rate case, which according to IPL s interpretation, equates to an annual rate increase of approximately $11 million. The primary differences between IPL s updated request in January 2011 and the ALJ recommendation relate to recovery of electric transmission service costs and recovery of costs for IPL s Whispering Willow - East wind project. If the MPUC accepts the recommendation of the ALJ, a modest impairment of the Whispering Willow - East wind project could be required in the second quarter of 2011. In the first quarter of 2011, Alliant Energy and IPL recorded $2 million in electric revenues from IPL s Minnesota retail electric customers related to the interim retail electric rate increase.

IPL s Iowa Retail Electric Rate Case (2009 Test Year) - In March 2010, IPL filed a request with the IUB to increase annual rates for its Iowa retail electric customers. The request was 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 control 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, on an annual basis, effective March 20, 2010. In the first quarter of 2011 and 2010, Alliant Energy and IPL recorded $26 million and $3 million, respectively, in electric revenues from IPL s Iowa retail electric customers related to the retail electric rate increase and the reserve for rate refund discussed below. In February 2011, IPL received an order from the IUB authorizing a final annual retail electric rate increase of $114 million, or approximately 10%. As of March 31, 2011, Alliant Energy and IPL reserved $5 million, including interest, for refunds anticipated to be paid to IPL s retail electric customers in Iowa in 2011 in accordance with the IUB s February 2011 order.

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WPL s Retail Electric Rate Case (2011 Test Year) - In April 2010, WPL filed a request with the PSCW to reopen the rate order for its 2010 test year to increase annual retail electric rates for 2011. The request was based on a forward-looking test period that included 2011. The key drivers for the filing included recovery of investments in WPL s Bent Tree - Phase I wind project and expiring deferral credits, partially offset by lower variable fuel expenses. In December 2010, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $8 million, or approximately 1%, effective Jan. 1, 2011. This $8 million increase in annual rates effective Jan. 1, 2011, combined with the termination of the $9 million interim fuel-related rate increase effective Dec. 31, 2010, resulted in a net $1 million decrease in annual electric retail rates charged to customers effective January 2011. Refer to WPL s Retail Fuel-related Rate Case (2010 Test Year) below for additional details of the interim fuel-related rate increase implemented in 2010 and a $5 million reduction to the 2011 test year base rate increase for refunds owed to electric retail customers related to interim fuel cost collections in 2010.

WPL s Retail Fuel-related Rate Case (2010 Test Year) - In April 2010, WPL filed a request with the PSCW to increase annual retail electric rates by $9 million to recover anticipated increased electric production fuel and energy purchases (fuel-related costs) in 2010. Actual fuel-related costs through March 2010, combined with projections of continued higher fuel-related costs for the remainder of 2010, significantly exceeded the amounts being recovered in retail electric rates at the time of the filing. WPL received approval from the PSCW to implement an interim rate increase of $9 million, on an annual basis, effective in June 2010. Updated annual 2010 fuel-related costs during the proceeding resulted in WPL no longer qualifying for a fuel-related rate increase for 2010. In December 2010, the PSCW issued an order authorizing no increase in retail electric rates in 2010 related to fuel-related costs and required the interim rate increase to terminate at the end of 2010. The order also authorized WPL to use $5 million of the interim fuel rates collected in 2010 as a reduction to the 2011 test year base rate increase. As of March 31, 2011, Alliant Energy s and WPL s remaining reserves were $4 million, including interest, for interim fuel cost collections in 2010.

Refer to Note 1(b) for discussion of various other rate matters.

(3) RECEIVABLES

Sales of Accounts Receivable - Effective April 1, 2010, IPL entered into an amended and restated Receivables Purchase and Sale Agreement (Agreement) whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third-party financial institution through wholly-owned and consolidated special purpose entities. In March 2011, IPL extended through March 2012 the purchase commitment from the third-party financial institution to which it sells its receivables. In exchange for the receivables sold, IPL will receive from the third-party financial institution cash proceeds (based on seasonal limits up to $160 million), and deferred proceeds recorded in Accounts receivable on Alliant Energy s and IPL s Condensed Consolidated Balance Sheets.

As of March 31, 2011 and Dec. 31, 2010, IPL sold $206.9 million and $219.6 million aggregate amounts of receivables, respectively. IPL s maximum and average outstanding cash proceeds, and costs incurred related to the sales of accounts receivable program for the three months ended March 31 were as follows (in millions):

	2011	2010
Maximum outstanding aggregate cash proceeds (based on daily outstanding balances)	**$ 130.0**	$
Average outstanding aggregate cash proceeds (based on daily outstanding balances)	**91.4**	
Costs incurred	**0.4**	0.2

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

	March 31, 2011	Dec. 31, 2010
Customer accounts receivable	**$ 136.0**	$ 133.0
Unbilled utility revenues	**62.5**	80.9
Other receivables	**8.4**	5.7
Receivables sold	**206.9**	219.6
Less: cash proceeds (a)	**75.0**	65.0
Deferred proceeds	**131.9**	154.6
Less: allowance for doubtful accounts	**2.1**	1.7

Fair value of deferred proceeds	**$**	**129.8**	$	152.9
Outstanding receivables past due	**$**	**19.9**	$	14.1

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(a) Changes in cash proceeds during the first quarter of 2011 are recorded in Sales of accounts receivable in operating activities in Alliant Energy s and IPL s Condensed Consolidated Statements of Cash Flows.

Additional attributes of IPL s receivables sold under the Agreement for the three months ended March 31, 2011 were as follows (in millions):

Collections reinvested in receivables	$ 475.3
Credit losses, net of recoveries	2.1

(4) INCOME TAXES

Income Tax Rates - The provision for income taxes for earnings from continuing operations is based on an estimated annual effective tax rate that excludes the impact of significant unusual or infrequently occurring items, discontinued operations or extraordinary items. The effective tax rates for Alliant Energy, IPL and WPL differ from the federal statutory rate of 35% generally due to impacts of enacted tax legislation, effects of utility rate making, tax credits, state income taxes and certain non-deductible expenses. The income tax rates shown in the following table for the three months ended March 31 were computed by dividing income taxes by income from continuing operations before income taxes.

	2011	2010
Alliant Energy	**22.4%**	41.9%
IPL	**5.9%**	50.5%
WPL	**32.5%**	40.3%

Customer Cost Management Plan - In January 2011, the IUB approved a customer cost management plan proposed by IPL, which will utilize tax-related regulatory liabilities to credit bills of Iowa electric retail customers beginning in February 2011 to help offset the impact of the recent rate increases on such customers. These regulatory liabilities are related to tax benefits from tax accounting method changes for repairs, mixed service costs and allocation of insurance proceeds from the floods in 2008. Alliant Energy s and IPL s effective tax rates for the first quarter of 2011 include the impact of reducing income tax expense with offsetting reductions to regulatory liabilities as a result of implementing the customer cost management plan. The tax impacts of the customer cost management plan are currently expected to decrease Alliant Energy s and IPL s 2011 annual income tax rates for continuing operations by 8.7% and 22.9%, respectively.

Federal Health Care Legislation - In March 2010, the Patient Protection and Affordable Care Act, and the Health Care and Education Reconciliation Act of 2010 (Federal Health Care Legislation) were enacted. One of the most significant provisions of the Federal Health Care Legislation for Alliant Energy, IPL and WPL requires a reduction in their tax deductions for retiree health care costs beginning in 2013, to the extent their drug expenses are reimbursed under the Medicare Part D retiree drug subsidy program. The reduction in the future deductibility of retiree health care costs accrued as of Dec. 31, 2009 required Alliant Energy, IPL and WPL to record deferred income tax expense of $7.1 million, $3.7 million and $3.1 million, respectively, in the first quarter of 2010. These income tax expenses recognized in the first quarter of 2010 increased Alliant Energy s, IPL s and WPL s income tax rates for continuing operations for such period by 8.6%, 18.9% and 5.0%, respectively.

Production Tax Credits - Alliant Energy has three wind projects that are currently generating production tax credits: WPL s 68 MW Cedar Ridge wind project, which began generating electricity in late 2008; IPL s 200 MW Whispering Willow - East wind project, which began generating electricity in late 2009; and WPL s 200 MW Bent Tree - Phase I wind project, which began generating electricity in late 2010. For the three months ended March 31, production tax credits (net of state tax impacts) resulting from these wind projects were as follows (in millions):

	Alliant Energy		IPL		WPL	
	2011	2010	**2011**	2010	**2011**	2010
Cedar Ridge	**$ 1.5**	$ 1.1	**$**	$	**$ 1.5**	$ 1.1
Whispering Willow - East	**2.8**	1.7	**2.8**	1.7		
Bent Tree - Phase I	**2.5**				**2.5**	
	$ 6.8	$ 2.8	**$ 2.8**	$ 1.7	**$ 4.0**	$ 1.1

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Deferred Tax Assets and Liabilities - During the first quarter of 2011, Alliant Energy s, IPL s and WPL s non-current deferred tax liabilities recognized in Deferred income taxes on their respective Condensed Consolidated Balance Sheets increased $38 million, $12 million and $31 million, respectively. The increases in deferred tax liabilities were primarily related to property-related temporary differences recorded in the first quarter of 2011 from bonus depreciation deductions available in 2011 and a change in tax accounting method for mixed service costs. These items were substantially offset with deferred tax assets recorded in the first quarter of 2011 as a result of increasing federal and state net operating loss carryforwards primarily due to the change in tax accounting method related to mixed service costs.

Bonus Depreciation Deductions - In 2010, the Small Business Jobs Act of 2010 (SBJA) and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (the Act) were enacted. The most significant provisions of the SBJA and the Act for Alliant Energy, IPL and WPL are related to the extension of bonus depreciation deductions for certain expenditures for property that are placed in service through Dec. 31, 2012. Based on capital projects expected to be placed into service in 2011, Alliant Energy currently estimates its total bonus depreciation deductions to be claimed in its 2011 federal income tax returns will be approximately $500 million ($220 million for IPL and $280 million for WPL).

Mixed Service Costs Deductions - In 2010, Alliant Energy filed a request with the IRS for a change in its tax accounting method for mixed service costs. In March 2011, Alliant Energy received consent from the IRS to reflect this change as part of its 2010 federal income tax return. The change allows Alliant Energy to currently deduct a portion of its mixed service costs, which have historically been capitalized for tax purposes. This change will be applied retroactively to mixed service costs incurred since 1987. Alliant Energy recently completed an assessment of its eligible mixed service costs for the period from 1987 through 2009 and currently expects to include approximately $390 million ($200 million for IPL and $190 million for WPL) of mixed service costs deductions for these years in its 2010 federal income tax return.

Carryforwards - At March 31, 2011, Alliant Energy s net operating loss carryforwards and associated deferred tax assets were as follows (in millions):

	Carryforward Amount	Deferred Tax Asset (a)
Federal net operating losses	$ 828	$ 285
Federal net operating losses offset - uncertain tax positions	(222)	(76)
State net operating losses	693	36
State net operating losses offset uncertain tax positions	(144)	(11)

(a) IPL s and WPL s deferred tax assets related to federal and state net operating losses, net of offsets, were $102 million and $92 million, respectively.

Uncertain Tax Positions - Alliant Energy s, IPL s and WPL s uncertain tax positions increased $27 million, $20 million and $7 million, respectively, during the first quarter of 2011. The increases were primarily related to positions that are expected to be taken on the 2010 federal and state income tax returns related to deductions for mixed service costs. Alliant Energy, IPL and WPL could have material changes to their unrecognized tax benefits during the 12 months ending March 31, 2012 if the IRS completes its audit of significant tax issues during this period.

Regulatory Assets and Liabilities - In the first quarter of 2011, IPL recognized significant tax benefits as a result of a change in tax accounting method for mixed service costs. IPL expects to refund any tax benefits realized from expensing mixed service costs to its Iowa retail customers in the future through the customer cost management plan approved by the IUB. As a result, Alliant Energy and IPL recorded an increase to their non-current regulatory liabilities of $152 million in the first quarter of 2011. Alliant Energy and IPL also recorded an increase to their non-current regulatory assets of $152 million in the first quarter of 2011 to reflect the benefit IPL expects to receive from its Iowa retail customers in the future as the temporary differences associated with the mixed service costs reverse into current tax expense.

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(5) BENEFIT PLANS

(a) Pension and Other Postretirement Benefits Plans -

Net Periodic Benefit Costs - The components of Alliant Energy s, IPL s and WPL s net periodic benefit costs for their defined benefit pension and other postretirement benefits plans for the three months ended March 31 were as follows (in millions):

	Defined Benefit Pension Plans		Other Postretirement Benefits Plans	
Alliant Energy	**2011**	2010	**2011**	2010
Service cost	**$ 2.9**	$ 3.0	**$ 2.1**	$ 2.1
Interest cost	**13.0**	13.1	**3.6**	3.7
Expected return on plan assets	**(16.0)**	(15.5)	**(1.9)**	(1.9)
Amortization of:				
Transition obligation				0.1
Prior service cost (credit)	**0.2**	0.2	**(0.7)**	(0.9)
Actuarial loss	**5.2**	6.0	**1.4**	1.6
	$ 5.3	$ 6.8	**$ 4.5**	$ 4.7

	Qualified Defined Benefit Pension Plans		Other Postretirement Benefits Plans	
IPL	**2011**	2010	**2011**	2010
Service cost	**$ 1.6**	$ 1.6	**$ 0.8**	$ 0.8
Interest cost	**4.2**	4.1	**1.7**	1.7
Expected return on plan assets	**(5.0)**	(4.9)	**(1.3)**	(1.3)
Amortization of:				
Transition obligation				0.1
Prior service cost (credit)	**0.1**	0.2	**(0.3)**	(0.4)
Actuarial loss	**1.4**	1.8	**0.8**	0.8
	$ 2.3	$ 2.8	**$ 1.7**	$ 1.7

	Qualified Defined Benefit Pension Plan		Other Postretirement Benefits Plans	
WPL	**2011**	2010	**2011**	2010
Service cost	**$ 1.2**	$ 1.2	**$ 0.8**	$ 0.8
Interest cost	**4.0**	3.9	**1.4**	1.4
Expected return on plan assets	**(5.0)**	(4.7)	**(0.3)**	(0.3)
Amortization of:				
Prior service cost (credit)	**0.1**	0.1	**(0.3)**	(0.3)
Actuarial loss	**1.8**	2.1	**0.5**	0.5
	$ 2.1	$ 2.6	**$ 2.1**	$ 2.1

In the above tables for IPL and WPL, the qualified defined benefit pension plans costs represent only those respective costs for bargaining unit employees of IPL and WPL covered under the plans that are sponsored by IPL and WPL, respectively. The other postretirement benefits costs represent costs for all IPL and WPL employees. Corporate Services provides services to IPL and WPL, and as a result, IPL and WPL are allocated pension and other postretirement benefits costs (credits) associated with Corporate Services employees. The following table includes qualified pension benefits costs (credits) for IPL s and WPL s non-bargaining employees who are participants in other Alliant Energy plans, and the allocated qualified pension and other postretirement benefits costs associated with Corporate Services employees providing services to IPL and WPL for the three months ended March 31 as follows (in millions):

	Qualified Pension Benefits Costs (Credits)		Other Postretirement Benefits Costs	
	2011	2010	**2011**	2010
IPL	**($ 0.1)**	$	**$ 0.4**	$ 0.5
WPL	**0.2**	0.2	**0.2**	0.3

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Alliant Energy sponsors several non-qualified defined benefit pension plans that cover certain current and former key employees. The pension costs allocated to IPL and WPL for these plans for the three months ended March 31 were as follows (in millions):

	IPL		WPL	
	2011	2010	**2011**	2010
Allocated pension costs	$ 0.6	$ 0.7	$ 0.3	$ 0.4

Estimated Future and Actual Employer Contributions - Alliant Energy s, IPL s, and WPL s estimated and actual funding for the qualified defined benefit pension, non-qualified defined benefit pension and other postretirement benefits plans for 2011 are as follows (in millions):

	Estimated for Calendar Year 2011			Actual Through March 31, 2011		
	Alliant Energy	IPL	WPL	Alliant Energy	IPL	WPL
Qualified defined benefit pension plans	$	$	$	$	$	$
Non-qualified defined benefit pension plans	7	(a)	(a)	1	(a)	(a)
Other postretirement benefits plans	18	7	8	5	2	2

(a) Alliant Energy sponsors several non-qualified defined benefit pension plans that cover certain current and former key employees of IPL and WPL. Alliant Energy allocates pension costs to IPL and WPL for these plans.

Alliant Energy Cash Balance Pension Plan (Plan) - Refer to Note 11(c) for discussion of a class action lawsuit filed against the Plan in 2008 and the IRS review of the tax qualified status of the Plan.

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

	Alliant Energy		IPL (a)		WPL (a)	
	2011	2010	**2011**	2010	**2011**	2010
401(k) savings plans costs	**$ 5.8**	$ 4.9	**$ 2.9**	$ 2.3	**$ 2.6**	$ 2.4

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

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

	Alliant Energy		IPL		WPL	
	2011	2010	**2011**	2010	**2011**	2010
Share-based compensation expense	**$ 2.2**	$ 2.3	**$ 1.2**	$ 1.2	**$ 0.9**	$ 0.9
Income tax benefits	**0.9**	0.9	**0.5**	0.5	**0.4**	0.4

As of March 31, 2011, total unrecognized compensation cost related to share-based compensation awards was $15.4 million, which is expected to be recognized over a weighted average period of between one and two years. Share-based compensation expense is recognized on a straight-line basis over the requisite service periods and is primarily recorded in Utility - other operation and maintenance in the Condensed Consolidated Statements of Income.

Performance Shares and Units - Alliant Energy anticipates making future payouts of its performance shares and units in cash; therefore, performance shares and units are accounted for as liability awards.

Performance Shares - A summary of the performance shares activity for the three months ended March 31 was as follows:

	2011 Shares (a)	2010 Shares (a)
Nonvested shares, Jan. 1	**234,518**	256,579
Granted	**64,217**	72,487
Vested (b)	**(57,838)**	
Forfeited (c)		(81,482)
Nonvested shares, March 31	**240,897**	247,584

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(a) Share amounts represent the target number of performance shares. Each performance share s value is based on the price of one share of Alliant Energy s common stock at the end of the performance period. The actual number of shares that will be paid out upon vesting is dependent upon actual performance and may range from zero to 200% of the target number of shares.
(b) In the first quarter of 2011, 57,838 performance shares granted in 2008 vested at 75% of the target, resulting in a payout valued at $1.6 million, which consisted of a combination of cash and common stock (1,387 shares).
(c) In the first quarter of 2010, 57,100 performance shares granted in 2007 were forfeited without payout because the specified performance criteria for such shares were not met. The remaining forfeitures during the first quarter of 2010 were primarily caused by retirements and voluntary terminations of participants.

Performance Units - A summary of the performance unit activity for the three months ended March 31 was as follows:

	2011 Units (a)	2010 Units (a)
Nonvested units, Jan. 1	**23,128**	
Granted	**23,975**	23,795
Forfeited	**(569)**	
Nonvested units, March 31	**46,534**	23,795

(a) Unit amounts represent the target number of performance units. Each performance unit s value is based on the average price of one share of Alliant Energy s common stock on the grant date of the award. The actual payout for performance units is dependent upon actual performance and may range from zero to 200% of the target number of units.

Fair Value of Awards - Information related to fair values of nonvested performance shares and units at March 31, 2011, by year of grant, were as follows:

	Performance Shares			Performance Units	
	2011 Grant	2010 Grant	2009 Grant	2011 Grant	2010 Grant
Nonvested awards	64,217	64,174	112,506	23,975	22,559
Alliant Energy common stock closing price on March 31, 2011	$ 38.93	$ 38.93	$ 38.93		
Alliant Energy common stock average price on grant date				$ 38.75	$ 32.56
Estimated payout percentage based on performance criteria	107%	125%	115%	107%	125%
Fair values of each nonvested award	$ 41.66	$ 48.66	$ 44.77	$ 41.46	$ 40.69

At March 31, 2011, fair values of nonvested performance shares and units were calculated using a Monte Carlo simulation to determine the anticipated total shareowner returns of Alliant Energy and its investor-owned utility peer group. Expected volatility was based on historical volatilities using daily stock prices over the past three years. Expected dividend yields were calculated based on the most recent quarterly dividend rates announced prior to the measurement date and stock prices at the measurement date. The risk-free interest rate was based on the three-year U.S. Treasury rate in effect as of the measurement date.

Restricted Stock - Restricted stock issued consists of time-based and performance-contingent restricted stock.

Time-based restricted stock - A summary of the time-based restricted stock activity for the three months ended March 31 was as follows:

	2011		2010	
	Shares	**Weighted Average Fair Value**	Shares	Weighted Average Fair Value
Nonvested shares, Jan. 1	**70,033**	**$ 32.27**		