INTERSTATE POWER & LIGHT CO
Form 10-Q
August 03, 2012
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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 June 30, 2012

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
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). Yes x No ¨

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

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

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

Number of shares outstanding of each class of common stock as of June 30, 2012:

Alliant Energy Corporation	Common stock, $0.01 par value, 110,976,142 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, earning their authorized rates of return, and the payments to their parent of expected levels of dividends;
- weather effects on results of utility operations including impacts of temperature changes and drought conditions in IPL’s and WPL’s service territories on customers’ demand for electricity and gas;
- the ability to continue cost controls and operational efficiencies;
- the impact of IPL’s retail electric base rate freeze in Iowa through 2013;
- the impact of WPL’s retail electric and gas rate freeze in Wisconsin through 2014;
- 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;
- developments that adversely impact Alliant Energy’s, IPL’s and WPL’s ability to implement their strategic plans, including unanticipated issues with new emission control equipment for various coal-fired generating facilities of IPL and WPL, WPL’s purchase of the Riverside Energy Center (Riverside), IPL’s construction of a new natural gas-fired electric generating facility in Iowa, IPL’s new purchased power agreement (PPA) with NextEra Energy Resources, LLC (NER), Alliant Energy Resources, LLC’s (Resources’) construction of and selling price of the electricity output from its new 100 megawatt (MW) Franklin County wind project, and the potential decommissioning of certain generating facilities of IPL and WPL;
- issues related to the availability of generating facilities and the supply and delivery of fuel and purchased electricity and the price thereof, including the ability to recover and to retain the recovery of purchased power, fuel and fuel-related costs through rates in a timely manner;
- the impact that 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 and litigations associated with changing environmental laws and regulations;
- 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 of future tax benefits from deductions for repairs expenditures and mixed service costs and temporary differences from historical tax benefits from such deductions that are reversing into income tax expense in future periods;
- the impact of changes to governmental incentive elections for wind projects;

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- the ability to find a purchaser for RMT, Inc. (RMT), to successfully negotiate a purchase agreement and to close the sale of RMT;
- continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;
- inflation and interest rates;
- changes to the creditworthiness of counterparties with which Alliant Energy, IPL and WPL have contractual arrangements, including participants in the energy markets and fuel suppliers and transporters;
- issues related to electric transmission, including operating in 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 (ERISA) by Alliant Energy's Cash Balance Pension Plan (Cash Balance 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;
- material changes in retirement and benefit plan costs;
- the impact of incentive compensation plans accruals;
- the effect of accounting pronouncements issued periodically by standard-setting bodies;
- the impact of adjustments made to deferred tax assets and liabilities from state apportionment assumptions;
- the ability to utilize tax credits and net operating losses generated to date, and those that may be generated in the future, before they expire;
- the ability to successfully complete tax audits and appeals with no material impact on earnings and cash flows;
- the direct or indirect effects resulting from terrorist incidents, including cyber terrorism, 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 December 31, 2011 (2011 Form 10-K).

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

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 June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
	(dollars in millions, except per share amounts)			
Operating revenues:				
Utility:				
Electric	$612.6	$620.5	$1,185.0	$1,240.8
Gas	50.0	67.1	217.1	296.1
Other	13.8	13.3	27.5	30.0
Non-regulated	13.9	11.6	26.4	22.8
Total operating revenues	690.3	712.5	1,456.0	1,589.7
Operating expenses:				
Utility:				
Electric production fuel and energy purchases	168.9	180.7	328.8	374.7
Purchased electric capacity	70.7	67.2	132.2	125.0
Electric transmission service	79.4	80.1	160.8	153.7
Cost of gas sold	18.6	34.8	123.4	191.2
Other operation and maintenance	137.9	168.9	287.9	329.5
Non-regulated operation and maintenance	0.7	4.0	4.9	8.6
Depreciation and amortization	80.8	81.5	163.8	159.3
Taxes other than income taxes	24.5	24.7	49.8	49.8
Total operating expenses	581.5	641.9	1,251.6	1,391.8
Operating income	108.8	70.6	204.4	197.9
Interest expense and other:				
Interest expense	38.6	40.4	77.5	80.9
Equity income from unconsolidated investments, net	(10.6)	(9.6)	(20.0)	(19.5)
Allowance for funds used during construction	(4.8)	(2.7)	(8.6)	(5.8)
Interest income and other	(0.6)	(0.8)	(1.7)	(1.6)
Total interest expense and other	22.6	27.3	47.2	54.0
Income from continuing operations before income taxes	86.2	43.3	157.2	143.9
Income tax expense (benefit)	16.8	(11.2)	44.5	11.2
Income from continuing operations, net of tax	69.4	54.5	112.7	132.7
Income (loss) from discontinued operations, net of tax	0.4	0.8	(4.0)	2.3
Net income	69.8	55.3	108.7	135.0
Preferred dividend requirements of subsidiaries	3.9	4.2	7.9	10.4
Net income attributable to Alliant Energy common shareowners	$65.9	$51.1	$100.8	$124.6
Weighted average number of common shares outstanding (basic) (000s)	110,756	110,624	110,736	110,596
Weighted average number of common shares outstanding (diluted) (000s)	110,769	110,677	110,755	110,654
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):				
Income from continuing operations, net of tax	$0.60	$0.45	$0.95	$1.11
Income (loss) from discontinued operations, net of tax	—	0.01	(0.04)	0.02

Net income	$0.60	$0.46	$0.91	$1.13
Amounts attributable to Alliant Energy common shareowners:				
Income from continuing operations, net of tax	$65.5	$50.3	$104.8	$122.3
Income (loss) from discontinued operations, net of tax	0.4	0.8	(4.0)	2.3
Net income attributable to Alliant Energy common shareowners	$65.9	$51.1	$100.8	$124.6
Dividends declared per common share	$0.45	$0.425	$0.90	$0.85

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)

	June 30, 2012	December 31, 2011
	(in millions)	
ASSETS		
Property, plant and equipment:		
Utility:		
Electric plant in service	$8,278.1	$8,165.4
Gas plant in service	860.1	852.9
Other plant in service	514.2	510.1
Accumulated depreciation	(3,298.9)	(3,206.0)
Net plant	6,353.5	6,322.4
Construction work in progress:		
Edgewater Generating Station Unit 5 emission controls (Wisconsin Power and Light Company)	104.0	77.7
Columbia Energy Center Units 1 and 2 emission controls (Wisconsin Power and Light Company)	54.4	9.0
Other	219.9	170.5
Other, less accumulated depreciation	21.5	34.9
Total utility	6,753.3	6,614.5
Non-regulated and other:		
Non-regulated Generation, less accumulated depreciation	302.4	270.6
Alliant Energy Corporate Services, Inc. and other, less accumulated depreciation	192.3	148.2
Total non-regulated and other	494.7	418.8
Total property, plant and equipment	7,248.0	7,033.3
Current assets:		
Cash and cash equivalents	30.8	11.4
Accounts receivable:		
Customer, less allowance for doubtful accounts	81.7	88.1
Unbilled utility revenues	76.8	75.1
Other, less allowance for doubtful accounts	147.3	114.9
Income tax refunds receivable	29.7	39.1
Production fuel, at weighted average cost	116.7	101.9
Materials and supplies, at weighted average cost	61.1	58.5
Gas stored underground, at weighted average cost	28.0	57.7
Regulatory assets	98.9	103.6
Derivative assets	40.7	12.7
Prepaid gross receipts tax	37.3	40.2
Deferred income tax assets	82.9	22.8
Assets held for sale	53.6	119.6
Prepayments and other	34.9	25.0
Total current assets	920.4	870.6
Investments:		
Investment in American Transmission Company LLC	247.0	238.8
Other	61.4	61.9
Total investments	308.4	300.7
Other assets:		

Regulatory assets	1,380.6	1,391.4
Deferred charges and other	76.8	91.9
Total other assets	1,457.4	1,483.3
Total assets	$9,934.2	$9,687.9

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)

	June 30, 2012	December 31, 2011
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Alliant Energy Corporation common equity:		
Common stock - $0.01 par value - 240,000,000 shares authorized; 110,976,142 and 111,018,821 shares outstanding	$1.1	$1.1
Additional paid-in capital	1,511.1	1,510.8
Retained earnings	1,511.3	1,510.2
Accumulated other comprehensive loss	(0.8)	(0.8)
Shares in deferred compensation trust - 255,319 and 262,735 shares at a weighted average cost of $32.37 and $31.68 per share	(8.3)	(8.3)
Total Alliant Energy Corporation common equity	3,014.4	3,013.0
Cumulative preferred stock of Interstate Power and Light Company	145.1	145.1
Noncontrolling interest	1.8	1.8
Total equity	3,161.3	3,159.9
Cumulative preferred stock of Wisconsin Power and Light Company	60.0	60.0
Long-term debt, net (excluding current portion)	2,752.8	2,703.1
Total capitalization	5,974.1	5,923.0
Current liabilities:		
Current maturities of long-term debt	1.4	1.4
Commercial paper	162.8	102.8
Accounts payable	337.6	267.8
Regulatory liabilities	149.9	164.7
Accrued taxes	46.3	46.9
Accrued interest	46.6	46.6
Derivative liabilities	48.4	55.9
Liabilities held for sale	70.9	62.1
Other	93.4	107.0
Total current liabilities	957.3	855.2
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	1,736.1	1,592.2
Regulatory liabilities	711.7	745.4
Pension and other benefit obligations	309.9	312.7
Other	245.1	259.4
Total long-term liabilities and deferred credits	3,002.8	2,909.7
Total capitalization and liabilities	$9,934.2	$9,687.9

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 Six Months Ended June 30,	
	2012	2011
	(in millions)	
Cash flows from operating activities:		
Net income	$108.7	$135.0
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	164.3	161.0
Other amortizations	27.6	28.3
Deferred tax expense (benefit) and investment tax credits	56.3	(25.5)
Equity income from unconsolidated investments, net	(20.0)	(19.5)
Distributions from equity method investments	16.8	15.9
Other	(7.6)	16.7
Other changes in assets and liabilities:		
Accounts receivable	54.0	27.8
Sales of accounts receivable	(27.0)	55.0
Regulatory assets	(19.6)	(110.3)
Deferred income tax assets	(60.1)	(1.1)
Regulatory liabilities	(43.5)	165.9
Deferred income tax liabilities	86.8	70.8
Pension and other benefit obligations	(2.8)	(62.0)
Other	5.3	8.8
Net cash flows from operating activities	339.2	466.8
Cash flows used for investing activities:		
Construction and acquisition expenditures:		
Utility business	(247.3)	(338.1)
Alliant Energy Corporate Services, Inc. and non-regulated businesses	(75.1)	(20.6)
Other	0.6	17.6
Net cash flows used for investing activities	(321.8)	(341.1)
Cash flows from (used for) financing activities:		
Common stock dividends	(99.7)	(94.2)
Preferred dividends paid by subsidiaries	(7.9)	(8.9)
Payments to redeem cumulative preferred stock of IPL	—	(40.0)
Net change in commercial paper	110.0	(47.4)
Other	(0.4)	(17.4)
Net cash flows from (used for) financing activities	2.0	(207.9)
Net increase (decrease) in cash and cash equivalents	19.4	(82.2)
Cash and cash equivalents at beginning of period	11.4	159.3
Cash and cash equivalents at end of period	$30.8	$77.1
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest, net of capitalized interest	$77.4	$80.2
Income taxes, net of refunds	($0.9)	($3.0)
Significant noncash investing and financing activities:		
Accrued capital expenditures	$100.3	$43.3

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 June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
	(in millions)			
Operating revenues:				
Electric utility	$321.0	$323.9	$614.1	$654.1
Gas utility	26.8	38.7	119.6	170.6
Steam and other	12.9	11.5	25.7	26.9
Total operating revenues	360.7	374.1	759.4	851.6
Operating expenses:				
Electric production fuel and energy purchases	82.0	87.4	156.1	184.2
Purchased electric capacity	36.0	34.6	77.0	73.9
Electric transmission service	52.9	54.0	108.4	101.9
Cost of gas sold	10.3	20.9	67.6	113.5
Other operation and maintenance	83.8	100.5	170.7	197.2
Depreciation and amortization	47.1	45.0	93.8	88.9
Taxes other than income taxes	13.2	13.2	26.5	26.4
Total operating expenses	325.3	355.6	700.1	786.0
Operating income	35.4	18.5	59.3	65.6
Interest expense and other:				
Interest expense	19.6	19.8	39.3	39.7
Allowance for funds used during construction	(1.7)	(1.6)	(3.2)	(3.0)
Interest income and other	—	—	(0.2)	(0.2)
Total interest expense and other	17.9	18.2	35.9	36.5
Income before income taxes	17.5	0.3	23.4	29.1
Income tax expense (benefit)	(2.1)	(0.7)	5.3	1.0
Net income	19.6	1.0	18.1	28.1
Preferred dividend requirements	3.0	3.3	6.2	8.7
Earnings available (loss) for common stock	$16.6	($2.3)	$11.9	$19.4

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)

	June 30, 2012	December 31, 2011
	(in millions)	
ASSETS		
Property, plant and equipment:		
Electric plant in service	$4,736.5	$4,684.0
Gas plant in service	431.1	428.2
Steam plant in service	34.9	34.9
Other plant in service	251.8	246.4
Accumulated depreciation	(1,876.2)	(1,833.8)
Net plant	3,578.1	3,559.7
Construction work in progress	144.5	96.6
Other, less accumulated depreciation	19.7	19.8
Total property, plant and equipment	3,742.3	3,676.1
Current assets:		
Cash and cash equivalents	2.8	2.1
Accounts receivable, less allowance for doubtful accounts	102.4	75.2
Income tax refunds receivable	16.3	28.4
Production fuel, at weighted average cost	75.9	67.7
Materials and supplies, at weighted average cost	32.8	31.5
Gas stored underground, at weighted average cost	7.9	25.5
Regulatory assets	60.1	59.0
Derivative assets	29.8	9.2
Deferred income tax assets	34.9	13.5
Prepayments and other	11.3	11.0
Total current assets	374.2	323.1
Investments	17.0	16.8
Other assets:		
Regulatory assets	1,050.3	1,058.3
Deferred charges and other	17.7	19.2
Total other assets	1,068.0	1,077.5
Total assets	$5,201.5	$5,093.5

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

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

	June 30, 2012	December 31, 2011
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Interstate Power and Light Company common equity:		
Common stock - $2.50 par value - 24,000,000 shares authorized; 13,370,788 shares outstanding	$33.4	$33.4
Additional paid-in capital	977.8	927.7
Retained earnings	384.4	433.3
Total Interstate Power and Light Company common equity	1,395.6	1,394.4
Cumulative preferred stock	145.1	145.1
Total equity	1,540.7	1,539.5
Long-term debt, net	1,359.3	1,309.0
Total capitalization	2,900.0	2,848.5
Current liabilities:		
Commercial paper	15.4	7.1
Accounts payable	171.8	118.2
Accounts payable to associated companies	33.7	36.7
Regulatory liabilities	100.9	137.1
Accrued taxes	67.2	43.8
Accrued interest	22.8	22.8
Derivative liabilities	23.2	24.5
Other	31.8	32.3
Total current liabilities	466.8	422.5
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	992.6	936.9
Regulatory liabilities	555.0	584.2
Pension and other benefit obligations	100.4	101.9
Other	186.7	199.5
Total other long-term liabilities and deferred credits	1,834.7	1,822.5
Total capitalization and liabilities	$5,201.5	$5,093.5

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

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

	For the Six Months Ended June 30, 2012	2011
	(in millions)	
Cash flows from operating activities:		
Net income	$18.1	$28.1
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	93.8	88.9
Deferred tax expense (benefit) and investment tax credits	8.2	(41.4)
Other	1.8	15.4
Other changes in assets and liabilities:		
Accounts receivable	(0.5)	35.1
Sales of accounts receivable	(27.0)	55.0
Regulatory assets	(12.1)	(133.3)
Deferred income tax assets	(21.4)	1.1
Derivative assets	(20.9)	(8.3)
Regulatory liabilities	(61.5)	158.0
Accrued taxes	23.4	(5.0)
Deferred income tax liabilities	47.1	65.8
Pension and other benefit obligations	(1.5)	(35.3)
Other	28.9	20.8
Net cash flows from operating activities	76.4	244.9
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(109.9)	(163.5)
Proceeds from sale of wind project assets to affiliate	—	115.3
Other	(10.4)	(11.7)
Net cash flows used for investing activities	(120.3)	(59.9)
Cash flows from (used for) financing activities:		
Common stock dividends	(60.8)	(43.7)
Preferred stock dividends	(6.2)	(7.2)
Capital contributions from parent	50.0	—
Repayment of capital to parent	—	(71.0)
Payments to redeem cumulative preferred stock	—	(40.0)
Net change in commercial paper	58.3	—
Other	3.3	(7.8)
Net cash flows from (used for) financing activities	44.6	(169.7)
Net increase in cash and cash equivalents	0.7	15.3
Cash and cash equivalents at beginning of period	2.1	5.7
Cash and cash equivalents at end of period	$2.8	$21.0
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest	$39.2	$39.0
Income taxes, net of refunds	($15.4)	$15.5
Significant noncash investing and financing activities:		
Accrued capital expenditures	$61.1	$19.1

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
	(in millions)			
Operating revenues:				
Electric utility	$291.6	$296.6	$570.9	$586.7
Gas utility	23.2	28.4	97.5	125.5
Other	0.9	1.8	1.8	3.1
Total operating revenues	315.7	326.8	670.2	715.3
Operating expenses:				
Electric production fuel and energy purchases	86.9	93.3	172.7	190.5
Purchased electric capacity	34.7	32.6	55.2	51.1
Electric transmission service	26.5	26.1	52.4	51.8
Cost of gas sold	8.3	13.9	55.8	77.7
Other operation and maintenance	54.1	68.4	117.2	132.3
Depreciation and amortization	33.2	36.1	69.0	69.5
Taxes other than income taxes	10.5	10.9	21.8	22.1
Total operating expenses	254.2	281.3	544.1	595.0
Operating income	61.5	45.5	126.1	120.3
Interest expense and other:				
Interest expense	19.9	20.0	39.9	40.1
Equity income from unconsolidated investments	(10.6)	(9.7)	(20.7)	(19.1)
Allowance for funds used during construction	(3.1)	(1.1)	(5.4)	(2.8)
Interest income and other	0.1	—	—	—
Total interest expense and other	6.3	9.2	13.8	18.2
Income before income taxes	55.2	36.3	112.3	102.1
Income taxes	19.1	11.3	44.3	32.7
Net income	36.1	25.0	68.0	69.4
Preferred dividend requirements	0.9	0.9	1.7	1.7
Earnings available for common stock	$35.2	$24.1	$66.3	$67.7

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)

	June 30, 2012	December 31, 2011
	(in millions)	
ASSETS		
Property, plant and equipment:		
Electric plant in service	$3,541.6	$3,481.4
Gas plant in service	429.0	424.7
Other plant in service	227.5	228.8
Accumulated depreciation	(1,422.7)	(1,372.2)
Net plant	2,775.4	2,762.7
Leased Sheboygan Falls Energy Facility, less accumulated amortization	80.1	83.2
Construction work in progress:		
Edgewater Generating Station Unit 5 emission controls	104.0	77.7
Columbia Energy Center Units 1 and 2 emission controls	54.4	9.0
Other	75.4	73.9
Other, less accumulated depreciation	1.8	15.1
Total property, plant and equipment	3,091.1	3,021.6
Current assets:		
Cash and cash equivalents	2.5	2.7
Accounts receivable:		
Customer, less allowance for doubtful accounts	72.3	76.2
Unbilled utility revenues	76.8	75.1
Other, less allowance for doubtful accounts	37.8	38.2
Production fuel, at weighted average cost	40.8	34.2
Materials and supplies, at weighted average cost	26.6	25.7
Gas stored underground, at weighted average cost	20.1	32.2
Regulatory assets	38.8	44.6
Prepaid gross receipts tax	37.3	40.2
Derivative assets	10.9	3.5
Deferred income tax assets	43.9	6.0
Prepayments and other	25.9	7.4
Total current assets	433.7	386.0
Investments:		
Investment in American Transmission Company LLC	247.0	238.8
Other	19.8	19.8
Total investments	266.8	258.6
Other assets:		
Regulatory assets	330.3	333.1
Deferred charges and other	34.2	44.7
Total other assets	364.5	377.8
Total assets	$4,156.1	$4,044.0

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 BALANCE SHEETS (UNAUDITED) (Continued)

	June 30, 2012	December 31, 2011
	(in millions, except per share and share amounts)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Wisconsin Power and Light Company common equity:		
Common stock - $5 par value - 18,000,000 shares authorized; 13,236,601 shares outstanding	$66.2	$66.2
Additional paid-in capital	869.2	869.0
Retained earnings	517.5	507.2
Total Wisconsin Power and Light Company common equity	1,452.9	1,442.4
Cumulative preferred stock	60.0	60.0
Long-term debt, net	1,082.3	1,082.2
Total capitalization	2,595.2	2,584.6
Current liabilities:		
Commercial paper	35.6	25.7
Accounts payable	106.4	98.5
Accounts payable to associated companies	15.0	20.5
Regulatory liabilities	49.0	27.6
Accrued interest	21.6	21.6
Derivative liabilities	25.2	31.4
Other	33.5	32.3
Total current liabilities	286.3	257.6
Other long-term liabilities and deferred credits:		
Deferred income tax liabilities	754.5	672.5
Regulatory liabilities	156.7	161.2
Capital lease obligations - Sheboygan Falls Energy Facility	101.3	103.3
Pension and other benefit obligations	127.1	128.0
Other	135.0	136.8
Total long-term liabilities and deferred credits	1,274.6	1,201.8
Total capitalization and liabilities	$4,156.1	$4,044.0

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 CASH FLOWS (UNAUDITED)

	For the Six Months Ended June 30,	
	2012	2011
	(in millions)	
Cash flows from operating activities:		
Net income	$68.0	$69.4
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	69.0	69.5
Other amortizations	21.8	21.2
Deferred tax expense and investment tax credits	43.3	34.3
Equity income from unconsolidated investments	(20.7)	(19.1)
Distributions from equity method investments	16.8	15.9
Other	(6.5)	8.1
Other changes in assets and liabilities:		
Accounts receivable	8.4	19.9
Income tax refunds receivable	(10.9)	33.7
Regulatory assets	(7.5)	23.0
Deferred income tax assets	(37.9)	2.2
Deferred income tax liabilities	38.1	1.0
Other	—	(8.6)
Net cash flows from operating activities	181.9	270.5
Cash flows used for investing activities:		
Utility construction and acquisition expenditures	(137.4)	(174.6)
Other	4.0	3.3
Net cash flows used for investing activities	(133.4)	(171.3)
Cash flows used for financing activities:		
Common stock dividends	(56.0)	(55.5)
Preferred stock dividends	(1.7)	(1.7)
Capital contributions from parent	—	25.0
Net change in commercial paper	9.9	(47.4)
Other	(0.9)	(6.5)
Net cash flows used for financing activities	(48.7)	(86.1)
Net increase (decrease) in cash and cash equivalents	(0.2)	13.1
Cash and cash equivalents at beginning of period	2.7	0.1
Cash and cash equivalents at end of period	$2.5	$13.2
Supplemental cash flows information:		
Cash paid (refunded) during the period for:		
Interest	$40.0	$40.0
Income taxes, net of refunds	$15.8	($35.8)
Significant noncash investing and financing activities:		
Accrued capital expenditures	$20.8	$16.9

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)

(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, 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 subsidiaries. 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 and six months ended June 30, 2012 and 2011, the condensed consolidated financial position at June 30, 2012 and December 31, 2011, and the condensed consolidated statements of cash flows for the six months ended June 30, 2012 and 2011 have been made. Results for the six months ended June 30, 2012 are not necessarily indicative of results that may be expected for the year ending December 31, 2012. 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 in the Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements have been reclassified to conform to the current period presentation for comparative purposes. Unless otherwise noted, the notes herein have been revised to exclude discontinued operations and assets and liabilities held for sale for all periods presented.

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

	Alliant Energy		IPL		WPL	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Tax-related	$652.8	$634.7	$630.8	$614.6	$22.0	$20.1
Pension and other postretirement benefits costs	502.8	514.1	260.0	264.9	242.8	249.2
Derivatives	64.2	77.7	28.8	33.5	35.4	44.2
Asset retirement obligations	58.0	65.9	39.6	48.7	18.4	17.2
Environmental-related costs	37.1	38.9	32.2	32.2	4.9	6.7
Emission allowances	30.0	30.0	30.0	30.0	—	—
IPL's electric transmission service costs	20.8	24.9	20.8	24.9	—	—
Debt redemption costs	20.8	21.8	14.3	15.1	6.5	6.7
Proposed base-load projects costs	17.8	21.5	12.7	15.3	5.1	6.2
Other	75.2	65.5	41.2	38.1	34.0	27.4
	$1,479.5	$1,495.0	$1,110.4	$1,117.3	$369.1	$377.7

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

	Alliant Energy		IPL		WPL	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Cost of removal obligations	$406.8	$404.9	$265.0	$261.9	$141.8	$143.0
IPL's tax benefit rider	309.1	349.6	309.1	349.6	—	—
Energy conservation cost recovery	43.5	29.6	7.8	4.7	35.7	24.9
IPL's electric transmission assets sale	38.0	45.1	38.0	45.1	—	—
Commodity cost recovery	5.4	23.8	0.5	23.2	4.9	0.6
Other	58.8	57.1	35.5	36.8	23.3	20.3
	$861.6	$910.1	$655.9	$721.3	$205.7	$188.8

Proposed base-load projects costs - The Minnesota Public Utilities Commission's (MPUC's) June 2011 oral decision related to IPL's 2009 test year Minnesota retail electric rate case authorized IPL to recover $2 million of previously incurred plant cancellation costs for its proposed base-load project referred to as Sutherland #4. As a result, Alliant Energy and IPL recorded a $2 million increase to regulatory assets, and a $2 million credit to "Utility - Other operation and maintenance" in their Condensed Consolidated Statements of Income in the second quarter of 2011.

IPL's tax benefit rider - Alliant Energy's and IPL's "IPL's tax benefit rider" regulatory liabilities in the above table decreased primarily due to $40 million of regulatory liabilities used to credit IPL's Iowa retail electric customers' bills during the six months ended June 30, 2012. Refer to Note 2 for discussion of a proposed tax benefit rider for IPL's Iowa retail gas customers and Note 4 for additional details regarding the tax benefit rider for IPL's Iowa retail electric customers.

IPL's electric transmission assets sale - Based on the MPUC's June 2011 oral decision related to IPL's 2009 test year Minnesota retail electric rate case, IPL was ordered to refund a higher amount of the gain realized from the sale of its electric transmission assets in 2007 to its Minnesota retail electric customers than originally estimated. As a result, Alliant Energy and IPL recorded a $5 million increase to regulatory liabilities, and a $5 million charge to "Utility - Other operation and maintenance" in their Condensed Consolidated Statements of Income in the second quarter of 2011 based on an estimate of the additional amount that is probable of being refunded.

Other - Based on an assessment completed in the second quarter of 2011, Alliant Energy, IPL and WPL recognized impairment charges of $6 million, $1 million and $5 million, respectively, for regulatory assets that were no longer probable of future recovery. The regulatory asset impairment charges were recorded by Alliant Energy, IPL and WPL as reductions in regulatory assets, and charges to "Utility - Other operation and maintenance" in their Condensed Consolidated Statements of Income in the second quarter of 2011.

Based on the Public Service Commission of Wisconsin's (PSCW's) July 2012 order related to WPL's 2013/2014 test period Wisconsin retail electric and gas rate case, WPL was authorized to recover previously incurred costs associated with the acquisition of a 25% ownership interest in Edgewater Unit 5 and proposed clean air compliance plan projects. As a result, Alliant Energy and WPL recorded a $5 million increase to "Regulatory assets" on their Condensed Consolidated Balance Sheets and a $5 million credit to "Utility - Other operation and maintenance" in their Condensed Consolidated Statements of Income in the second quarter of 2012.

(c) Utility Property, Plant and Equipment -
WPL's Edgewater Unit 5 Emission Controls Project - WPL is currently installing a selective catalytic reduction (SCR) system at Edgewater Unit 5 to reduce nitrogen oxide (NOx) emissions at the generating facility. Construction began in

the third quarter of 2010 and is expected to be completed by the end of 2012. The SCR is expected to help meet requirements under the Wisconsin Reasonably Available Control Technology (RACT) Rule, which require additional NOx emission reductions at Edgewater by May 2013. As of June 30, 2012, WPL recorded capitalized expenditures of $98 million and allowance for funds used during construction (AFUDC) of $6 million for the SCR system in "Construction work in progress - Edgewater Generating Station Unit 5 emission controls" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets.

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WPL's Columbia Units 1 and 2 Emission Controls Project - WPL is currently installing scrubbers and baghouses at Columbia Units 1 and 2 to reduce sulfur dioxide (SO_2) and mercury emissions at the generating facility. Construction began in the first quarter of 2012 and is expected to be completed in 2014. The scrubbers and baghouses are expected to help meet requirements under the Clean Air Interstate Rule (CAIR), the Cross-State Air Pollution Rule (CSAPR) or some alternative to these rules that may be implemented, the Utility Maximum Achievable Control Technology (MACT) Rule and the Wisconsin State Mercury Rule. As of June 30, 2012, WPL recorded capitalized expenditures of $53 million and AFUDC of $1 million for the scrubbers and baghouses in "Construction work in progress - Columbia Energy Center Units 1 and 2 emission controls" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets.

Franklin County Wind Project - In 2008, Alliant Energy entered into a master supply agreement with Vestas-American Wind Technology, Inc. (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 and WPL's Bent Tree - Phase I wind projects. In the second quarter of 2011, Alliant Energy decided to utilize the remaining 100 MW of wind turbine generator sets and related equipment at Resources to build the Franklin County wind project. In the second quarter of 2011, IPL sold the assets for this wind project to Resources for $115.3 million, which represented IPL's book value for progress payments to date for the 100 MW of wind turbine generator sets and related equipment and land rights in Franklin County, Iowa. In addition, Resources assumed the remaining progress payments to Vestas for the 100 MW of wind turbine generator sets and related equipment. The proceeds received by IPL were recorded in investing activities in IPL's Condensed Consolidated Statement of Cash Flows in the second quarter of 2011. Refer to Note 1(d) for further discussion of the Franklin County wind project.

IPL's Whispering Willow - East Wind Project - In 2011, IPL received an order from the MPUC approving a temporary recovery rate for the Minnesota retail portion of its Whispering Willow - East wind project construction costs. In its order, the MPUC did not conclude on the prudence of these project costs. The prudence of these project costs and the final recovery rate for these costs will be addressed in a separate proceeding that is expected to be completed in 2013. The initial recovery rate approved by the MPUC is below the amount required by IPL to recover the Minnesota retail portion of its total project costs. Based on its interpretation of the order, IPL currently believes that it is probable it will not be allowed to recover the entire Minnesota retail portion of its project costs. IPL currently believes the most likely outcome of the final rate proceeding will result in the MPUC effectively disallowing recovery of approximately $8 million of project costs out of a total of approximately $30 million of project costs allocated to the Minnesota retail jurisdiction. As a result, IPL recognized an $8 million impairment related to this probable disallowance, which was recorded as a reduction to electric plant in service and a charge to "Utility - Other operation and maintenance" in Alliant Energy's and IPL's Condensed Consolidated Statements of Income in the second quarter of 2011. This amount is subject to change until the MPUC determines the final recovery rate for these project costs.

Wind Site in Green Lake and Fond du Lac Counties in Wisconsin - In 2009, WPL purchased development rights to an approximate 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 sell or 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 in other utility property, plant and equipment, and a charge to "Utility - Other operation and maintenance" in Alliant Energy's and WPL's Condensed Consolidated Statements of Income in the first half of 2011.

Depreciation - In May 2012, the PSCW issued an order approving the implementation of updated depreciation rates for WPL as a result of a recently completed depreciation study. The updated depreciation rates will be effective

January 1, 2013 for all assets other than Riverside. WPL's depreciation rates for Riverside will be effective on the purchase date of Riverside. WPL estimates the new average rates of depreciation for its electric generation, electric distribution and gas properties will be approximately 3.6%, 2.7% and 2.5%, respectively, during 2013.

(d) Non-regulated and Other Property, Plant and Equipment - As of June 30, 2012, Alliant Energy recorded capitalized expenditures of $183 million and capitalized interest of $6 million in "Non-regulated Generation property, plant and equipment" on Alliant Energy's Condensed Consolidated Balance Sheet related to Resources' Franklin County wind project. Refer to Note 1(c) for further discussion of the Franklin County wind project.

In April 2012, Alliant Energy exercised its option under the corporate headquarters lease and purchased the building at the expiration of the lease term for $48 million.

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(e) Comprehensive Income (Loss) - For the three and six months ended June 30, 2012 and 2011, Alliant Energy’s other comprehensive income was not material; therefore, its comprehensive income was substantially equal to its net income for such periods. For the three and six months ended June 30, 2012 and 2011, IPL and WPL had no other comprehensive income; therefore their comprehensive income (loss) was equal to their earnings available (loss) for common stock for such periods.

(f) Cash Flows Presentation - Alliant Energy reports cash flows from continuing operations together with cash flows from discontinued operations in its Condensed Consolidated Statements of Cash Flows. Refer to Note 13 for details of cash flows from discontinued operations.

(2) UTILITY RATE CASES

WPL’s Wisconsin Retail Electric and Gas Rate Case (2013/2014 Test Period) - In May 2012, WPL filed a retail base rate filing based on a forward-looking test period that includes 2013 and 2014. The filing requested approval for WPL to implement a decrease in annual base rates for WPL’s retail gas customers of $13 million effective January 1, 2013 followed by a freeze of such gas base rates through the end of 2014. The filing also requested authority to maintain customer base rates for WPL’s retail electric customers at their current levels through the end of 2014. Recovery of the costs for the planned acquisition of Riverside, the SCR project at Edgewater Unit 5 and the scrubber and baghouse projects at Columbia Units 1 and 2 are included in the request. The recovery of the costs for these capital projects are offset by decreases in rate base resulting from increased net deferred tax liabilities, the impact of changes in the amortizations of regulatory assets and regulatory liabilities, and the reduction of capacity payments. In July 2012, WPL received an order from the PSCW authorizing WPL to implement its retail base rate filing as requested. Refer to Note 1(b) for details of increases to “Regulatory assets” on Alliant Energy’s and WPL’s Condensed Consolidated Balance Sheets and regulatory-related credits to “Utility - Other operation and maintenance” in Alliant Energy’s and WPL’s Condensed Consolidated Statements of Income in the second quarter of 2012 as a result of the PSCW’s order authorizing WPL to recover previously incurred costs associated with the acquisition of a 25% interest in Edgewater Unit 5 and proposed clean air compliance plan projects.

IPL’s Iowa Retail Gas Rate Case (2011 Test Year) - In May 2012, IPL filed a request with the Iowa Utilities Board (IUB) to increase annual rates for its Iowa retail gas customers by $15 million, or approximately 6%. The request was based on a 2011 historical test year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. The key drivers for the filing included recovery of capital investments since IPL’s last Iowa retail gas rate case filed in 2005. IPL’s request included a proposal to utilize regulatory liabilities to credit bills of Iowa retail gas customers to help mitigate the impact of the proposed final rate increase on such customers. IPL is proposing to reduce customer bills utilizing a tax benefit rider over a three-year period by approximately $36 million in aggregate. In conjunction with the filing, IPL implemented an interim retail gas rate increase of $9 million, or approximately 3%, on an annual basis, effective June 4, 2012, without regulatory review and subject to refund pending determination of final rates from the request.

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 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 rate increase of $14 million, on an annual basis, effective July 6, 2010. In November 2011, IPL received an order from the MPUC authorizing a final annual retail electric rate increase equivalent to $11 million. The final annual retail electric rate increase of $11 million includes $8 million of higher base rates, $2 million from the temporary renewable energy rider and $1 million from the utilization of regulatory liabilities to offset higher electric transmission service costs. Refer to Note 1(b) for discussion of changes to regulatory assets and regulatory liabilities in the second quarter of 2011 based on the MPUC’s decisions to provide IPL’s retail electric customers in Minnesota additional refunds from the gain on the sale of electric transmission assets in 2007 and to provide IPL recovery of $2 million of previously incurred costs for Sutherland #4. Refer to Note 1(c) for discussion of an impairment recognized in second quarter of 2011 based on the MPUC’s decision regarding the recovery of IPL’s Whispering Willow - East wind project costs.

WPL’s Retail Fuel-related Rate Case (2013 Test Year) - In June 2012, WPL filed a request with the PSCW to decrease annual rates for WPL’s retail electric customers by $25 million, or approximately 2%, to reflect anticipated decreases in retail electric production fuel and energy purchases costs (fuel-related costs) in 2013. Any rate changes granted from this request are expected to be effective on January 1, 2013.

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WPL's Retail Fuel-related Rate Case (2012 Test Year) - In December 2011, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $4 million related to expected changes in retail fuel-related costs for 2012. The December 2011 order also required WPL to defer direct CSAPR compliance costs that are not included in the fuel monitoring level and set a zero percent tolerance band for the CSAPR-related deferral. The 2012 fuel-related costs, excluding deferred CSAPR compliance costs, will be monitored using an annual bandwidth of plus or minus 2%. The retail electric rate increase granted from this request was effective January 1, 2012. Retail fuel-related costs incurred by WPL for the period from January 2012 through June 2012 were lower than retail fuel-related costs used to determine rates. WPL currently projects that its retail fuel-related costs for the 2012 calendar year will remain lower than the approved fuel monitoring level by more than the 2% bandwidth resulting in future refunds anticipated to be paid to WPL's retail electric customers. As of June 30, 2012, Alliant Energy and WPL recorded $4 million in "Regulatory liabilities" on their Condensed Consolidated Balance Sheets for refunds anticipated to be paid to WPL's retail electric customers. Subsequent to the PSCW order issued in December 2011, the U.S. Court of Appeals for the D.C. Circuit stayed the implementation of CSAPR and as a result, CAIR remains effective. Alliant Energy and WPL are currently unable to predict the final outcome of the CSAPR stay and its impact on their financial condition or results of operations.

(3) RECEIVABLES

Sales of Accounts Receivable - IPL maintains a 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 2012, IPL extended through March 2014 the purchase commitment from the third-party financial institution to which it sells its receivables. In exchange for the receivables sold, IPL receives cash proceeds from the third-party financial institution (based on seasonal limits up to $180 million including $150 million as of June 30, 2012), and deferred proceeds recorded in "Accounts receivable" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets.

As of June 30, 2012 and December 31, 2011, IPL sold $196.2 million and $195.3 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 and six months ended June 30 were as follows (in millions):

	Three Months		Six Months	
	2012	2011	2012	2011
Maximum outstanding aggregate cash proceeds (based on daily outstanding balances)	$150.0	$140.0	$160.0	$140.0
Average outstanding aggregate cash proceeds (based on daily outstanding balances)	135.1	124.7	139.0	108.2
Costs incurred	0.3	0.4	0.7	0.8

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

	June 30, 2012	December 31, 2011
Customer accounts receivable	$97.1	$122.4
Unbilled utility revenues	77.4	65.4
Other receivables	21.7	7.5
Receivables sold	196.2	195.3
Less: cash proceeds (a)	113.0	140.0
Deferred proceeds	83.2	55.3
Less: allowance for doubtful accounts	1.5	1.6
Fair value of deferred proceeds	$81.7	$53.7
Outstanding receivables past due	$12.4	$15.9

(a) Changes in cash proceeds for the six months ended June 30, 2012 are recorded in “Sales of accounts receivable” in operating activities in Alliant Energy’s and IPL’s Condensed Consolidated Statements of Cash Flows.

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Additional attributes of IPL's receivables sold under the Agreement for the three and six months ended June 30 were as follows (in millions):

	Three Months		Six Months	
	2012	2011	2012	2011
Collections reinvested in receivables	$369.5	$410.2	$811.8	$885.5
Credit losses, net of recoveries	2.2	2.4	4.3	4.5

(4) INCOME TAXES

Income Tax Rates - The provision for income taxes for earnings from continuing operations is based on an estimated annual effective income tax rate that excludes the impact of significant unusual or infrequently occurring items, discontinued operations or extraordinary items. The effective income tax rates for Alliant Energy, IPL and WPL differ from the federal statutory rate of 35% generally due to effects of enacted tax legislation, utility rate-making, including the tax benefit rider, tax credits, state income taxes and certain non-deductible expenses. Changes in state apportionment rates caused by the planned sale of Alliant Energy's RMT business also impacted the effective income tax rates for the six months ended June 30, 2012 for Alliant Energy, IPL and WPL. The effective income tax rates shown in the following table for the three and six months ended June 30 were computed by dividing income tax expense (benefit) by income from continuing operations before income taxes.

	Three Months		Six Months	
	2012	2011	2012	2011
Alliant Energy	19.5 %	(25.9 %)	28.3 %	7.8 %
IPL	(12.0 %)	(233.3 %)	22.6 %	3.4 %
WPL	34.6 %	31.1 %	39.4 %	32.0 %

State Apportionment - Alliant Energy, IPL and WPL utilize state apportionment projections to record their deferred tax assets and liabilities each reporting period. Deferred tax assets and liabilities for temporary differences between the tax basis of assets and liabilities and the amounts reported in the condensed consolidated financial statements are recorded utilizing currently enacted tax rates and estimates of future state apportionment rates expected to be in effect at the time the temporary differences reverse. These state apportionment projections are most significantly impacted by the estimated amount of revenues expected in the future from each state jurisdiction for Alliant Energy's consolidated tax group, including both its regulated operations and its non-regulated operations. In the first quarter of 2012, Alliant Energy, IPL and WPL recorded $15.2 million, $8.1 million and $7.0 million, respectively, of deferred income tax expense due to changes in state apportionment projections caused by the planned sale of Alliant Energy's RMT business. These income tax expense amounts recognized in the first quarter of 2012 increased Alliant Energy's, IPL's and WPL's effective income tax rates for continuing operations for the six months ended June 30, 2012 by 9.7%, 34.6% and 6.2%, respectively.

IPL's Tax Benefit Rider - In January 2011, the IUB approved a tax benefit rider proposed by IPL, which utilizes tax-related regulatory liabilities to credit bills of Iowa retail electric customers beginning in February 2011 to help offset the impact of 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 income tax rates for the three and six months ended June 30, 2012 and 2011 include the impact of reducing income tax expense with offsetting reductions to regulatory liabilities as a result of implementing the tax benefit rider. Tax benefit rider-related regulatory liabilities of $20 million and $40 million for the three and six months ended June 30, 2012, and $17 million and $24 million for the three and six months ended June 30, 2011, respectively, were used to credit IPL's Iowa retail electric customers' bills. The tax impacts of the tax benefit rider are currently expected to decrease Alliant Energy's and IPL's 2012 annual effective income tax rates for continuing operations by 11.9% and 35.5%, respectively. The tax impacts of the tax benefit rider decreased Alliant Energy's effective income tax rates for continuing operations by 7.8% and 8.6% for the three and six months ended June 30, 2011, respectively, and decreased IPL's effective income tax rates by 21.9% for the six months ended June 30, 2011. The impacts of the tax benefit rider on the effective tax rate for the three months ended June 30, 2011 for IPL is not meaningful given the impact of IPL's low income before income taxes for such period.

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 and six months ended June 30, production tax credits (net of state tax impacts) resulting from these wind projects were as follows (in millions):

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	Three Months		Six Months	
	2012	2011	2012	2011
Cedar Ridge (WPL)	$1.0	$1.1	$2.3	$2.6
Bent Tree - Phase I (WPL)	2.7	2.8	4.2	5.3
Subtotal (WPL)	3.7	3.9	6.5	7.9
Whispering Willow - East (IPL)	3.1	3.6	6.7	6.4
	$6.8	$7.5	$13.2	$14.3

Wisconsin Tax Legislation - In June 2011, the 2011 Wisconsin Act 32 (Act 32) was enacted. The most significant provision of Act 32 for Alliant Energy authorizes combined groups to share net operating loss carryforwards that were incurred by group members prior to January 1, 2009 and utilize these shared net operating losses over 20 years beginning after December 31, 2011. Based on this provision of Act 32, Alliant Energy anticipated its Wisconsin combined group will be able to fully utilize $368 million of Wisconsin net operating losses incurred by Alliant Energy and Resources prior to January 1, 2009 to offset future taxable income and therefore reversed previously recorded deferred tax asset valuation allowances related to state net operating loss carryforwards of $19 million in the second quarter of 2011. The income tax benefits recognized in the second quarter of 2011 from Act 32 decreased Alliant Energy's effective income tax rates for continuing operations by 43.7% and 13.1% for the second quarter and first half of 2011, respectively.

Deferred Tax Assets and Liabilities - For the six months ended June 30, 2012, Alliant Energy's, IPL's and WPL's current deferred tax assets increased $60.1 million, $21.4 million and $37.9 million, respectively, and Alliant Energy's, IPL's and WPL's non-current deferred tax liabilities increased $143.9 million, $55.7 million and $82.0 million, respectively. These increases were primarily due to a transfer of deferred tax assets from non-current to current caused by an increase in the amount of federal and state net operating loss carryforwards expected to be utilized during the next 12 months. The increase in non-current deferred tax liabilities was also due to property-related temporary differences recorded during the six months ended June 30, 2012 from bonus depreciation deductions available in 2012.

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 December 31, 2012. Based on capital projects expected to be placed into service in 2012, Alliant Energy currently estimates its total bonus depreciation deductions to be claimed in its 2012 federal income tax return will be approximately $418 million ($114 million for IPL, $203 million for WPL and $101 million for Resources).

Carryforwards - At June 30, 2012, tax carryforwards and associated deferred tax assets and expiration dates were estimated as follows (in millions):

Alliant Energy	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$1,026	$352	2028
Federal net operating losses offset - uncertain tax positions	(57)	(20)	
State net operating losses	756	39	2014
State net operating losses offset - uncertain tax positions	(27)	(2)	
Federal tax credits	122	121	2022
		$490	

IPL	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date

Federal net operating losses	$472	$162	2028
Federal net operating losses offset - uncertain tax positions	(26)	(9)	
State net operating losses	171	10	2022
Federal tax credits	32	32	2022
		$195	

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WPL	Carryforward Amount	Deferred Tax Assets	Earliest Expiration Date
Federal net operating losses	$437	$150	2028
Federal net operating losses offset - uncertain tax positions	(31)	(11)	
State net operating losses	142	7	2022
State net operating losses offset - uncertain tax positions	(27)	(2)	
Federal tax credits	33	33	2022
		$177	

Uncertain Tax Positions - It is reasonably possible that Alliant Energy, IPL and WPL could have material changes to their unrecognized tax benefits during the next 12 months as a result of the expected issuance in 2012 of revenue procedures clarifying the treatment of repair expenditures for electric generation and gas distribution property. An estimate of the expected changes during the next 12 months cannot be determined at this time.

(5) BENEFIT PLANS

(a) Pension and Other Postretirement Benefits Plans -

Net Periodic Benefit Costs (Credits) - The components of net periodic benefit costs (credits) for Alliant Energy's, IPL's and WPL's sponsored defined benefit pension and other postretirement benefits plans, and defined benefit pension plans amounts directly assigned to IPL and WPL, for the three and six months ended June 30 are included in the tables below (in millions). In the "IPL" and "WPL" tables below, the qualified defined benefit pension plans costs represent only those respective costs for IPL's and WPL's bargaining unit employees covered under the plans that are sponsored by IPL and WPL, respectively. Also in the "IPL" and "WPL" tables below, the other postretirement benefits plans costs (credits) represent costs (credits) for all IPL and WPL employees, respectively. The "Directly assigned defined benefit pension plans" tables below include amounts directly assigned to each of IPL and WPL related to IPL's and WPL's current and former non-bargaining employees who are participants in Alliant Energy and Corporate Services sponsored qualified and non-qualified defined benefit pension plans.

	Defined Benefit Pension Plans				Other Postretirement Benefits Plans			
Alliant Energy	Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Service cost	$3.4	$2.8	$6.7	$5.7	$1.8	$1.7	$3.5	$3.8
Interest cost	12.9	13.0	25.9	26.0	2.5	3.1	5.1	6.7
Expected return on plan assets	(17.2)	(15.9)	(34.4)	(31.9)	(1.9)	(2.0)	(3.8)	(3.9)
Amortization of:								
Prior service cost (credit)	—	0.2	0.1	0.4	(3.0)	(2.5)	(6.0)	(3.2)
Actuarial loss	8.3	5.3	16.6	10.5	1.5	1.4	3.1	2.8
Additional benefit costs (a)	—	8.9	—	8.9	—	—	—	—
	$7.4	$14.3	$14.9	$19.6	$0.9	$1.7	$1.9	$6.2

	Qualified Defined Benefit Pension Plans				Other Postretirement Benefits Plans			
IPL	Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Service cost	$1.9	$1.5	$3.8	$3.1	$0.7	$0.6	$1.5	$1.4
Interest cost	4.2	4.1	8.5	8.3	1.1	1.3	2.2	3.0
Expected return on plan assets	(5.7)	(5.0)	(11.5)	(10.0)	(1.3)	(1.3)	(2.6)	(2.6)
Amortization of:								
Prior service cost (credit)	0.1	0.1	0.2	0.2	(1.6)	(1.2)	(3.2)	(1.5)
Actuarial loss	2.6	1.5	5.1	2.9	0.9	0.7	1.8	1.5
	$3.1	$2.2	$6.1	$4.5	($0.2)	$0.1	($0.3)	$1.8

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WPL	Qualified Defined Benefit Pension Plan				Other Postretirement Benefits Plans			
	Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Service cost	$1.3	$1.1	$2.6	$2.3	$0.7	$0.7	$1.4	$1.5
Interest cost	4.1	4.0	8.2	8.0	1.1	1.2	2.1	2.6
Expected return on plan assets	(5.6)	(5.0)	(11.2)	(10.0)	(0.4)	(0.4)	(0.7)	(0.7)
Amortization of:								
Prior service cost (credit)	0.1	0.2	0.2	0.3	(0.9)	(0.8)	(1.9)	(1.1)
Actuarial loss	3.0	1.7	6.1	3.5	0.5	0.6	1.1	1.1
	$2.9	$2.0	$5.9	$4.1	$1.0	$1.3	$2.0	$3.4

Directly assigned defined benefit pension plans	IPL				WPL			
	Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011
Interest cost	$1.7	$1.8	$3.5	$3.7	$1.3	$1.3	$2.6	$2.7
Expected return on plan assets	(2.4)	(2.5)	(4.8)	(4.9)	(1.8)	(1.8)	(3.6)	(3.6)
Amortization of:								
Prior service credit	—	—	(0.1)	(0.1)	—	—	(0.1)	(0.1)
Actuarial loss	0.9	0.8	1.9	1.5	0.9	0.7	1.8	1.4
Additional benefit costs (a)	—	2.2	—	2.2	—	0.6	—	0.6
	$0.2	$2.3	$0.5	$2.4	$0.4	$0.8	$0.7	$1.0

(a) Alliant Energy reached an agreement with the Internal Revenue Service (IRS), which resulted in a favorable determination letter for the Cash Balance Plan during the first quarter of 2011. The agreement with the IRS required Alliant Energy to amend the Cash Balance Plan, which was completed in the second quarter of 2011 resulting in aggregate additional benefits of $8.9 million paid to certain former participants in the Cash Balance Plan in August 2011. Alliant Energy recognized $8.9 million of additional benefits costs in the second quarter of 2011 related to these benefits. IPL was allocated $5.5 million ($2.2 million directly assigned and $3.3 million allocated by Corporate Services) and WPL was allocated $3.0 million ($0.6 million directly assigned and $2.4 million allocated by Corporate Services) of additional benefits costs in the second quarter of 2011 related to these benefits. Refer to Note 11(c) for additional information regarding the Cash Balance Plan.

Corporate Services provides services to IPL and WPL, and as a result, IPL and WPL are allocated pension and other postretirement benefits costs associated with Corporate Services employees. The following table includes the allocated qualified and non-qualified pension and other postretirement benefits costs associated with Corporate Services employees providing services to IPL and WPL for the three and six months ended June 30 (in millions):

	Pension Benefits Costs (a)				Other Postretirement Benefits Costs			
	Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011
IPL	$0.5	$3.7	$1.0	$4.1	$0.1	$—	$0.1	$0.4
WPL	0.3	2.7	0.6	3.0	—	0.1	—	0.3

(a) For both the three and six months ended June 30, 2011, additional qualified pension benefits costs resulting from the amendment to the Cash Balance Plan in the second quarter of 2011 allocated to IPL and WPL by Corporate Services were $3.3 million and $2.4 million, respectively.

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Estimated Future and Actual Employer Contributions - Estimated and actual funding for the qualified defined benefit pension, non-qualified defined benefit pension and other postretirement benefits plans, and the directly assigned qualified and non-qualified defined benefit pension plans amounts for 2012 are as follows (in millions):

	Estimated for Calendar Year 2012			Actual Through June 30, 2012		
	Alliant Energy	IPL	WPL	Alliant Energy	IPL	WPL
Qualified defined benefit pension plans	$—	$—	$—	$—	$—	$—
Non-qualified defined benefit pension plans (a)	17.0	N/A	N/A	2.6	N/A	N/A
Directly assigned defined benefit pension plans (b)	N/A	0.8	0.2	N/A	0.4	0.1
Other postretirement benefits plans	6.5	2.2	3.9	3.7	1.5	2.0

(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.

(b) Amounts directly assigned to IPL and WPL for non-bargaining employees who are participants in Alliant Energy and Corporate Services sponsored qualified and non-qualified defined benefit pension plans.

Cash Balance Plan - Refer to Note 11(c) for discussion of a class-action lawsuit filed against the Cash Balance Plan in 2008, and an agreement Alliant Energy reached with the IRS, which resulted in a favorable determination letter for the Cash Balance Plan in 2011.

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 and six months ended June 30, 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)			
	Three Months		Six Months		Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
401(k) costs	$4.5	$4.2	$9.7	$9.9	$2.3	$2.0	$5.0	$4.9	$1.9	$2.0	$4.2	$4.6

(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 and six months ended June 30 was as follows (in millions):

	Alliant Energy				IPL				WPL			
	Three Months		Six Months		Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Compensation expense	$2.1	$2.6	$3.7	$4.8	$1.1	$1.4	$1.9	$2.6	$0.9	$1.0	$1.6	$1.9
Income tax benefits	0.9	1.0	1.5	1.9	0.5	0.5	0.8	1.0	0.3	0.4	0.6	0.8

As of June 30, 2012, total unrecognized compensation cost related to share-based compensation awards was $11.8 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.

In the first quarter of 2012, Alliant Energy granted performance shares, performance units, performance-contingent restricted stock and performance contingent cash awards to certain key employees. Payouts of nonvested awards issued in 2012 are prorated at retirement, death or disability based on time worked during the first year of the performance period and achievement of the performance criteria. Upon achievement of the performance criteria, payouts of these awards to participants who terminate employment after the first year of the performance period due to retirement, death or disability are not prorated. Participants’ nonvested awards issued in 2012 are forfeited if the participant voluntarily leaves Alliant Energy or is terminated for cause.

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

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Performance Shares - A summary of the performance shares activity for the six months ended June 30 was as follows:

	2012 Shares (a)	2011 Shares (a)
Nonvested shares, January 1	236,979	234,518
Granted	45,612	64,217
Vested (b)	(111,980)	(57,838)
Forfeited	(25,334)	—
Nonvested shares, June 30	145,277	240,897

(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 2012, 111,980 performance shares granted in 2009 vested at 162.5% of the target, resulting in payouts valued at $8.0 million, which consisted of a combination of cash and common stock (6,399 shares). In the first quarter of 2011, 57,838 performance shares granted in 2008 vested at 75% of the target, resulting in payouts valued at $1.6 million, which consisted of a combination of cash and common stock (1,387 shares).

Performance Units - A summary of the performance unit activity for the six months ended June 30 was as follows:

	2012 Units (a)	2011 Units (a)
Nonvested units, January 1	42,996	23,128
Granted	24,686	23,975
Forfeited	(878)	(4,107)
Nonvested units, June 30	66,804	42,996

(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 June 30, 2012 by year of grant, were as follows:

	Performance Shares			Performance Units		
	2012 Grant	2011 Grant	2010 Grant	2012 Grant	2011 Grant	2010 Grant
Nonvested awards	45,612	45,235	54,430	24,686	21,693	20,425
Alliant Energy common stock closing price on June 30, 2012	$45.57	$45.57	$45.57			
Alliant Energy common stock average price on grant date				$43.05	$38.75	$32.56
Estimated payout percentage based on performance criteria	93%	108%	176%	93%	108%	176%
Fair values of each nonvested award	$42.38	$49.22	$80.20	$40.04	$41.85	$57.30

At June 30, 2012, fair values of nonvested performance shares and units were calculated using a Monte Carlo simulation to determine the anticipated total shareowner returns of Alliant Energy and its investor-owned utility peer groups. Expected volatility was based on historical volatilities using daily stock prices over the past three years. Expected dividend yields were calculated based on the most recent quarterly dividend rates announced prior to the measurement date and stock prices at the measurement date. The risk-free interest rate was based on the three-year U.S. Treasury rate in effect as of the measurement date.

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

Time-based restricted stock - A summary of the time-based restricted stock activity for the six months ended June 30 was as follows:

	2012		2011	
	Shares	Weighted Average Fair Value	Shares	Weighted Average Fair Value
Nonvested shares, January 1	35,800	$30.87	70,033	$32.27
Granted during first quarter	—	—	5,000	39.86
Vested	(32,466)	29.95	(38,433)	34.61
Forfeited	—	—	(600)	29.41
Nonvested shares, June 30	3,334	39.86	36,000	30.88

Performance-contingent restricted stock - A summary of the performance-contingent restricted stock activity for the six months ended June 30 was as follows:

	2012		2011	
	Shares	Weighted Average Fair Value	Shares	Weighted Average Fair Value
Nonvested shares, January 1	301,738	$32.60	296,190	$32.32
Granted during first quarter	45,612	43.05	64,217	38.75
Vested	(65,172)	32.56	(53,274)	37.93
Forfeited	(70,527)	39.93	(5,395)	38.00
Nonvested shares, June 30	211,651	32.42	301,738	32.60

Non-qualified Stock Options - A summary of the stock option activity for the six months ended June 30 was as follows:

	2012		2011	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, January 1	63,889	$24.21	163,680	$24.51
Exercised	(27,453)	23.79	(60,481)	27.08
Outstanding and exercisable, June 30	36,436	24.52	103,199	23.01

The weighted average remaining contractual term for options outstanding and exercisable at June 30, 2012 was between one and two years. The aggregate intrinsic value of options outstanding and exercisable at June 30, 2012 was $0.8 million.

Other information related to stock option activity for the three and six months ended June 30 was as follows (in millions):

	Three Months		Six Months	
	2012	2011	2012	2011
Cash received from stock options exercised	$0.4	$1.0	$0.7	$1.6
Aggregate intrinsic value of stock options exercised	0.3	0.6	0.5	0.8

Income tax benefit from the exercise of stock options	0.1	0.2	0.2	0.3

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Performance Contingent Cash Awards - A summary of the performance contingent cash awards activity for the six months ended June 30 was as follows:

	2012 Awards	2011 Awards
Nonvested awards, January 1	46,676	23,428
Granted	36,936	23,975
Vested (a)	(21,605)	—
Forfeited	(1,533)	(727)
Nonvested awards, June 30	60,474	46,676

(a) In the first quarter of 2012, 21,605 performance contingent cash awards granted in 2010 vested, resulting in cash payouts valued at $0.9 million.

(6) COMMON EQUITY

Common Share Activity - A summary of Alliant Energy's common stock activity during the six months ended June 30, 2012 was as follows:

Shares outstanding, January 1	111,018,821
Equity incentive plans (Note 5(b))	8,937
Other (a)	(51,616)
Shares outstanding, June 30	110,976,142

(a) Includes shares transferred from employees to Alliant Energy to satisfy tax withholding requirements in connection with the vesting of certain restricted stock under the equity incentive plans.

Dividend Restrictions - As of June 30, 2012, IPL's amount of retained earnings that were free of dividend restrictions was $360 million. As of June 30, 2012, WPL's amount of retained earnings that were free of dividend restrictions was $105 million for the remainder of 2012.

Restricted Net Assets of Subsidiaries - As of June 30, 2012, 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 $1.0 billion and $1.3 billion, respectively.

Capital Transactions with Subsidiaries - For the six months ended June 30, 2012, IPL received capital contributions of $50.0 million from its parent company. For the six months ended June 30, 2012, IPL and WPL paid common stock dividends of $60.8 million and $56.0 million, respectively, to their parent company.

(7) DEBT

(a) Short-term Debt - Information regarding commercial paper issued under Alliant Energy's, IPL's and WPL's credit facilities classified as short-term debt was as follows (dollars in millions):

June 30, 2012	Alliant Energy (Consolidated)	Parent Company	IPL	WPL
Commercial paper:				
Amount outstanding	$162.8	$111.8	$15.4	$35.6
Weighted average remaining maturity	4 days	5 days	2 days	2 days
Weighted average interest rates	0.4%	0.4%	0.4%	0.3%
Available credit facility capacity (a)	$787.2	$188.2	$234.6	$364.4

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	Alliant Energy		IPL		WPL	
Three Months Ended June 30	2012	2011	2012	2011	2012	2011
Maximum amount outstanding (based on daily outstanding balances)	$162.8	$94.3	$30.3	$54.4	$35.6	$44.3
Average amount outstanding (based on daily outstanding balances)	$100.8	$28.7	$7.6	$18.3	$14.9	$14.2
Weighted average interest rates	0.4 %	0.3 %	0.4 %	0.3 %	0.3 %	0.3 %
Six Months Ended June 30						
Maximum amount outstanding (based on daily outstanding balances)	$162.8	$96.5	$35.4	$54.4	$35.6	$96.5
Average amount outstanding (based on daily outstanding balances)	$83.6	$42.0	$10.2	$9.8	$14.0	$34.7
Weighted average interest rates	0.4 %	0.3 %	0.4 %	0.3 %	0.2 %	0.3 %

(a) Alliant Energy's and IPL's available credit facility capacities reflect outstanding commercial paper classified as both short- and long-term debt at June 30, 2012. Refer to Note 7(b) for further discussion of $50 million of commercial paper outstanding at June 30, 2012 classified as long-term debt.

(b) Long-term Debt - As of June 30, 2012, $50 million of commercial paper was recorded in "Long-term debt, net" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets due to the existence of long-term credit facilities that back-stop this commercial paper balance, along with Alliant Energy's and IPL's intent and ability to refinance these balances on a long-term basis. As of June 30, 2012, this commercial paper balance had a weighted average remaining maturity of 4 days and a 0.5% interest rate.

(8) INVESTMENTS

Unconsolidated Equity Investments - Equity (income) loss from Alliant Energy's and WPL's unconsolidated investments accounted for under the equity method of accounting for the three and six months ended June 30 was as follows (in millions):

	Alliant Energy				WPL			
	Three Months		Six Months		Three Months		Six Months	
	2012	2011	2012	2011	2012	2011	2012	2011
American Transmission Company LLC (ATC)	($10.3)	($9.3)	($20.2)	($18.5)	($10.3)	($9.3)	($20.2)	($18.5)
Other	(0.3)	(0.3)	0.2	(1.0)	(0.3)	(0.4)	(0.5)	(0.6)
	($10.6)	($9.6)	($20.0)	($19.5)	($10.6)	($9.7)	($20.7)	($19.1)

Summary financial information from the unaudited financial statements of ATC for the three and six months ended June 30 was as follows (in millions):

	Three Months		Six Months	
	2012	2011	2012	2011
Operating revenues	$152.1	$138.2	$299.8	$277.8
Operating income	80.4	75.2	158.5	151.7
Net income	59.3	55.7	117.4	109.9

(9) FAIR VALUE MEASUREMENTS

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

	Alliant Energy		IPL		WPL	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
June 30, 2012						
Assets:						
Derivative assets (Note 10)	$44.4	$44.4	$31.5	$31.5	$12.9	$12.9
Deferred proceeds (sales of receivables) (Note 3)	81.7	81.7	81.7	81.7	—	—
Capitalization and liabilities:						
Long-term debt (including current maturities) (Note 7(b))	2,754.2	3,471.9	1,359.3	1,670.3	1,082.3	1,470.3
Cumulative preferred stock of subsidiaries	205.1	218.7	145.1	158.1	60.0	60.6
Derivative liabilities (Note 10)	65.3	65.3	29.3	29.3	36.0	36.0
December 31, 2011						
Assets:						
Derivative assets (Note 10)	15.7	15.7	10.6	10.6	5.1	5.1
Deferred proceeds (sales of receivables) (Note 3)	53.7	53.7	53.7	53.7	—	—
Capitalization and liabilities:						
Long-term debt (including current maturities) (Note 7(b))	2,704.5	3,325.3	1,309.0	1,560.4	1,082.2	1,439.0
Cumulative preferred stock of subsidiaries	205.1	222.5	145.1	164.3	60.0	58.2
Derivative liabilities (Note 10)	78.0	78.0	33.6	33.6	44.4	44.4

Valuation Techniques -
Derivative assets and derivative liabilities - Alliant Energy, IPL and WPL periodically use derivative instruments for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs. Alliant Energy, IPL and WPL maintain risk policies that govern the use of derivative instruments. Alliant Energy's, IPL's and WPL's derivative instruments as of June 30, 2012 and December 31, 2011 were not designated as hedging instruments. Alliant Energy's, IPL's and WPL's derivative instruments as of June 30, 2012 and December 31, 2011 included electric physical forward purchase contracts and swap contracts to mitigate pricing volatility for the electricity purchased to supply to IPL's and WPL's customers; natural gas swap contracts to mitigate pricing volatility for the fuel used to supply to the natural gas-fired electric generating facilities they operate; natural gas options to mitigate price increases during periods of high demand or lack of supply; financial transmission rights (FTRs) acquired to manage transmission congestion costs; natural gas physical forward purchase and natural gas option contracts to mitigate pricing volatility for natural gas supplied to IPL's and WPL's retail customers; and natural gas physical purchase and sale contracts to optimize the value of natural gas pipeline capacity.

IPL's and WPL's swap, option and physical forward commodity contracts were non-exchange-based derivative instruments and were valued using indicative price quotations available through a pricing vendor that provides daily exchange forward price settlements, from broker or dealer quotations or from on-line exchanges. The indicative price quotations reflected the average of the bid-ask mid-point prices and were obtained from sources believed to provide the most liquid market for the commodity. IPL and WPL corroborated a portion of these indicative price quotations using quoted prices for similar assets or liabilities in active markets and categorized derivative instruments based on such indicative price quotations as Level 2. IPL's and WPL's commodity contracts that were valued using indicative price quotations based on significant assumptions such as seasonal or monthly shaping and indicative price quotations that could not be readily corroborated were categorized as Level 3. IPL's and WPL's swap, option and physical forward commodity contracts were predominately at liquid trading points. IPL's and WPL's FTRs were measured at fair value each reporting date using monthly or annual auction shadow prices from relevant auctions. Refer to Note 10 for additional details of derivative assets and derivative liabilities.

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

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Long-term debt (including current maturities) - For long-term debt instruments that are actively traded, the fair value was based upon quoted market prices for similar liabilities each reporting date. For long-term debt instruments that are not actively traded, the fair value was based on discounted cash flow methodology and utilizes assumptions of current market pricing curves at each reporting date. Refer to Note 7(b) for additional information regarding long-term debt.

Cumulative preferred stock of subsidiaries - The fair value of IPL's 8.375% cumulative preferred stock was based on its closing market price quoted by the New York Stock Exchange on each reporting date. The fair value of WPL's 4.50% cumulative preferred stock was based on the closing market price quoted by the NYSE Amex LLC on each reporting date. The fair value of WPL's remaining preferred stock was calculated based on the market yield of similar securities on each reporting date.

Valuation Hierarchy - Fair value measurement accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy and examples of each are as follows:

Level 1 - Pricing inputs are quoted prices available in active markets for identical assets or liabilities as of the reporting date. As of June 30, 2012, Level 1 items included IPL's 8.375% cumulative preferred stock and WPL's 4.50% cumulative preferred stock.

Level 2 - Pricing inputs are quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active as of the reporting date. As of June 30, 2012 and December 31, 2011, Level 2 items included IPL's and WPL's non-exchange traded commodity contracts. Level 2 items as of June 30, 2012 also included the remainder of WPL's cumulative preferred stock and substantially all of the long-term debt instruments.

Level 3 - Pricing inputs are unobservable inputs for assets or liabilities for which little or no market data exist and require significant management judgment or estimation. As of June 30, 2012 and December 31, 2011, Level 3 items included IPL's deferred proceeds, and IPL's and WPL's FTRs and certain commodity contracts.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. Items subject to fair value measurement disclosure requirements were as follows (Not Applicable (N/A); in millions):

Alliant Energy	June 30, 2012				December 31, 2011			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Derivatives - commodity contracts	$44.4	$—	$8.9	$35.5	$15.7	$—	$3.4	$12.3
Deferred proceeds	81.7	—	—	81.7	53.7	—	—	53.7
Capitalization and liabilities:								
Long-term debt (including current maturities)	3,471.9	—	3,471.4	0.5	N/A	N/A	N/A	N/A
Cumulative preferred stock of subsidiaries	218.7	168.4	50.3	—	N/A	N/A	N/A	N/A
	65.3	—	48.6	16.7	78.0	—	64.8	13.2

Derivatives - commodity
contracts

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IPL	June 30, 2012				December 31, 2011			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
Derivatives - commodity contracts	$31.5	$—	$6.1	$25.4	$10.6	$—	$1.3	$9.3
Deferred proceeds	81.7	—	—	81.7	53.7	—	—	53.7
Capitalization and liabilities:								
Long-term debt	1,670.3	—	1,670.3	—	N/A	N/A	N/A	N/A
Cumulative preferred stock	158.1	158.1	—	—	N/A	N/A	N/A	N/A
Derivatives - commodity contracts	29.3	—	18.0					