

ALLIANT ENERGY CORP
Form 10-Q
August 02, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2013

or

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

For the transition period from _____ to _____

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

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

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

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

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

	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company Filer
Alliant Energy Corporation	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

Number of shares outstanding of each class of common stock as of June 30, 2013:

Alliant Energy Corporation	Common stock, \$0.01 par value, 110,943,669 shares outstanding
Interstate Power and Light Company	Common stock, \$2.50 par value, 13,370,788 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)
Wisconsin Power and Light Company	Common stock, \$5 par value, 13,236,601 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)

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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;
- the ability to continue cost controls and operational efficiencies;
 - the impact of WPL’s retail electric and gas base rate freeze in Wisconsin through 2014;
- weather effects on results of utility operations, including the impacts of temperature changes in IPL’s and WPL’s service territories on customers’ demand for electricity and gas;
- the impact of the economy in IPL’s and WPL’s service territories and the resulting impacts on sales volumes, margins and the ability to collect unpaid bills;
- the impact of energy efficiency, franchise retention and customer owned generation on sales volumes and margins; developments that adversely impact Alliant Energy’s, IPL’s and WPL’s ability to implement their strategic plan, including unanticipated issues with new emission controls equipment for various coal-fired electric generating facilities of IPL and WPL, IPL’s construction of its proposed natural gas-fired electric generating facility in Iowa, Alliant Energy Resources, LLC’s (Resources’) selling price of the electricity output from its 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; issues associated with environmental remediation and environmental compliance, including compliance with the Consent Decree between WPL, the Sierra Club and the United States of America (U.S.) Environmental Protection Agency (EPA), future changes in environmental laws and regulations, and litigation associated with environmental requirements;
- the ability to defend against environmental claims brought by state and federal agencies, such as the EPA, or third parties, such as the Sierra Club;
- the ability to recover through rates all environmental compliance and remediation costs, including costs for projects put on hold due to uncertainty of future environmental laws and regulations;
- the direct or indirect effects resulting from terrorist incidents, including cyber terrorism, or responses to such incidents;
- the impact of penalties or third-party claims related to, or in connection with, a failure to maintain the security of personally identifiable information, including associated costs to notify affected persons and to mitigate their information security concerns;

impacts of future tax benefits from deductions for repairs expenditures and mixed service costs and temporary differences from historical tax benefits from such deductions that are included in rates when the differences reverse in future periods;

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any material post-closing adjustments related to any past asset divestitures, including the sale of RMT, Inc. (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 the Alliant Energy 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, including floods, droughts and forest or prairie fires, may have on their operations and recovery of, and rate relief for, costs associated with restoration activities;

the impact of distributed generation, including alternative electric suppliers, in IPL's and WPL's service territories on system reliability, operating expenses and customers' demand for electricity;

access to technological developments;

material changes in retirement and benefit plan costs;

the impact of performance-based compensation plans accruals;

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

the impact of changes to production tax credits for wind projects;

the impact of adjustments made to deferred tax assets and liabilities from state apportionment assumptions;

the ability to utilize tax credits and net operating losses generated to date, and those that may be generated in the future, before they expire;

the ability to successfully complete tax audits, changes in tax accounting methods and appeals with no material impact on earnings and cash flows; 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, 2012 (2012 Form 10-K).

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

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

ALLIANT ENERGY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2013	2012	2013	2012
	(dollars in millions, except per share amounts)			
Operating revenues:				
Utility:				
Electric	\$612.1	\$612.6	\$1,245.3	\$1,185.0
Gas	73.4	50.0	270.7	217.1
Other	17.8	13.8	35.0	27.5
Non-regulated	14.7	13.9	26.6	26.4
Total operating revenues	718.0	690.3	1,577.6	1,456.0
Operating expenses:				
Utility:				
Electric production fuel and energy purchases	158.0	168.9	337.1	328.8
Purchased electric capacity	52.0	70.7	109.0	132.2
Electric transmission service	99.6	79.4	203.3	160.8
Cost of gas sold	38.9	18.6	166.9	123.4
Other operation and maintenance	147.2	137.9	297.4	287.9
Non-regulated operation and maintenance	3.1	0.7	5.3	4.9
Depreciation and amortization	92.7	80.8	185.3	163.8
Taxes other than income taxes	23.3	24.5	49.4	49.8
Total operating expenses	614.8	581.5	1,353.7	1,251.6
Operating income	103.2	108.8	223.9	204.4
Interest expense and other:				
Interest expense	42.5	38.6	85.1	77.5
Equity income from unconsolidated investments, net	(10.9)	(10.6)	(21.6)	(20.0)
Allowance for funds used during construction	(7.0)	(4.8)	(12.6)	(8.6)
Interest income and other	(0.3)	(0.6)	(1.1)	(1.7)
Total interest expense and other	24.3	22.6	49.8	47.2
Income from continuing operations before income taxes	78.9	86.2	174.1	157.2
Income taxes	10.5	16.8	22.6	44.5
Income from continuing operations, net of tax	68.4	69.4	151.5	112.7
Income (loss) from discontinued operations, net of tax	(0.6)	0.4	(3.6)	(4.0)
Net income	67.8	69.8	147.9	108.7
Preferred dividend requirements of subsidiaries	2.5	3.9	12.7	7.9
Net income attributable to Alliant Energy common shareowners	\$65.3	\$65.9	\$135.2	\$100.8
Weighted average number of common shares outstanding (basic) (000s)	110,776	110,756	110,772	110,736
Weighted average number of common shares outstanding (diluted) (000s)	110,780	110,769	110,778	110,755
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):				
Income from continuing operations, net of tax	\$0.59	\$0.60	\$1.25	\$0.95
Loss from discontinued operations, net of tax	—	—	(0.03)	(0.04)

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Net income	\$0.59	\$0.60	\$1.22	\$0.91
Amounts attributable to Alliant Energy common shareowners:				
Income from continuing operations, net of tax	\$65.9	\$65.5	\$138.8	\$104.8
Income (loss) from discontinued operations, net of tax	(0.6)	0.4	(3.6)	(4.0)
Net income attributable to Alliant Energy common shareowners	\$65.3	\$65.9	\$135.2	\$100.8
Dividends declared per common share	\$0.47	\$0.45	\$0.94	\$0.90

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, 2013	December 31, 2012
	(in millions)	
ASSETS		
Property, plant and equipment:		
Utility:		
Electric plant in service	\$9,165.1	\$9,070.7
Gas plant in service	892.4	878.4
Other plant in service	516.0	506.2
Accumulated depreciation	(3,632.0) (3,513.0)
Net plant	6,941.5	6,942.3
Construction work in progress:		
Columbia Energy Center Units 1 and 2 emission controls (WPL)	215.3	