WHO WE ARE

ALLIANT ENERGY CORPORATION (NYSE: LNT) is a Midwest U.S. energy company with more than $11 billion of assets. Our company is primarily engaged in electric generation and the distribution of electricity and natural gas. Alliant Energy’s utility businesses, Interstate Power and Light and Wisconsin Power and Light, serve approximately one million electric customers and 418,000 natural gas customers in Iowa, Wisconsin and Minnesota. Headquartered in Madison, with additional general offices in Cedar Rapids and Dubuque, Alliant Energy has approximately 3,900 employees and more than 30,000 shareowners of record.

Utility operating revenues

Electric 83%

Natural Gas 14%

Other 3%

Electric sales mix

Commercial 21%

Residential 26%

Sales for Resale 14%

Industrial 38%

Other 1%

Electric power sources

Coal 48%

Wind* 4%

Other* 1%

Natural Gas 7%

Purchased Power Nuclear** 18%

Purchased Power Wind* 18%

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

**Nuclear includes replacement energy provided under the Kewaunee Nuclear Power Plant purchased power agreement after Kewaunee was shut down in May 2013.

Forward-Looking Statements: This annual report contains forward-looking statements. These forward-looking statements should be considered in light of the disclaimer on pages F-4 and F-5. The information contained in the section titled “2013 Financial Information” was filed with the Securities and Exchange Commission (SEC) on February 25, 2014, and was complete and accurate as of that date. Alliant Energy disclaims any responsibility to update that information in this annual report.
## Financial Overview

(Dollars in millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$3,277</td>
<td>$3,095</td>
<td>6%</td>
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Amounts attributable to Alliant Energy common shareowners:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations, net of tax</td>
<td>$364</td>
<td>$325</td>
<td>12%</td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td>($6)</td>
<td>($5)</td>
<td>20%</td>
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<tr>
<td>Net income</td>
<td>$358</td>
<td>$320</td>
<td>12%</td>
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Diluted earnings per weighted average common share attributable to Alliant Energy common shareowners:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations, net of tax</td>
<td>$3.29</td>
<td>$2.93</td>
<td>12%</td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td>($0.06)</td>
<td>($0.04)</td>
<td>50%</td>
</tr>
<tr>
<td>Net income</td>
<td>$3.23</td>
<td>$2.89</td>
<td>12%</td>
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</table>

Utility electric sales to retail customers (thousands of megawatt-hours) | 25,727 | 25,586 | 1% |

Total utility electric sales (thousands of megawatt-hours) | 30,206 | 30,357 | – |

Utility natural gas sold and transported (thousands of dekatherms) | 115,872 | 100,786 | 15% |

Cash flows from operating activities | $731 | $841 | (13%) |

Construction and acquisition expenditures | $798 | $1,158 | (31%) |

Total assets at year-end | $11,112 | $10,786 | 3% |

Common shares outstanding at year-end (in thousands) | 110,944 | 110,987 | – |

Dividends declared per common share (a) | $1.88 | $1.80 | 4% |

Market value per share at year-end | $51.60 | $43.91 | 18% |

Book value per share at year-end | $29.58 | $28.25 | 5% |

Market capitalization at year-end | $5,725 | $4,873 | 17% |

(a) Effective with the dividend declared and paid in the first quarter of 2014, Alliant Energy's targeted annualized common stock dividend was increased from $1.88 to $2.04 per share.

The financial data should be read in conjunction with the audited consolidated financial statements and related notes of Alliant Energy. The reported financial data are not necessarily indicative of future operating results or financial position.
My fellow Shareowners,

2013 was a terrific year for our company! We accomplished key goals for our customers, our generating fleet and you, our investors. We made great progress in our stewardship of the environment and continued service to our communities. All of this is a tribute to the talented men and women who work for Alliant Energy. They have performed superbly while recording our safest year ever. As we look ahead, we remain focused on providing our customers with safe and reliable energy, transforming our generating fleet and utilizing natural resources wisely.

Transforming our generating fleet

Our company is well on its way to transforming our generating fleet to one that has fewer, cleaner and more efficient units. The construction work on the fleet is progressing on time and at or below budget. The fleet is becoming more flexible, with a balanced mix of fuel sources that reduces dependency on one fuel choice and enables us to better respond to new technologies and environmental rules.

Our investments in state-of-the-art systems will exceed $1.4 billion through 2017. These systems will greatly improve air quality. These cost-efficient facilities will be able to provide low-cost energy to our customers for decades to come.

We are also adding more natural gas-fired generation to the fleet. In November 2013, the Iowa Utilities Board approved our plan to construct the Marshalltown Generating Station. The combined-cycle, natural gas-fired facility in Marshalltown, Iowa, will generate approximately 600 megawatts. We expect to begin construction this year and place it in service in 2017.

Renewables remain an important part of our generation strategy. In 2013, our wind farms had record performance in producing emission-free energy. We have also assisted over 1,000 customers with installation of their own renewable energy, including solar, wind and biodigesters.

We continue to work with our customers and communities on new technology options. Today’s new energy options build on our legacy of clean energy resources. That legacy includes over a century of hydroelectric power, 40 years of emissions-free nuclear power and more than two decades of wind power.

We have positioned the company for a cleaner energy future that is positive for our customers, company and environment.

Investing in our communities

We continue to improve reliability for our customers. In addition to maintaining responsive 24/7 services, the company is making significant investments in our distribution and customer systems to keep the lights on and gas flowing. Examples include technologies that enable us to more quickly locate problems and dispatch crews.

The marketplace has provided new opportunities for expanding our natural gas business. Many customers are considering switching from propane to natural gas. Over the next year, we’ll be working to meet those needs and promote the value of natural gas to others.
We continue to support energy-efficiency programs for our customers. In 2013, we spent over $100 million on these programs. This is good for customers and for the environment. It is also a key pillar of our economic development efforts – reducing costs makes local expansion more attractive for businesses and is a draw for companies considering locating in our territories.

Every day, we partner with current and prospective business customers in their business planning. Those efforts don’t just grow our sales, but also bring great jobs and new tax base to our communities. The business climate in our territories is solid and showing signs of growth.

The communities we serve are more than just places where we sell power. I am proud that our Alliant Energy employees and retirees are passionate about giving back to the communities where they live and work.

Our company supports their dedication by making a financial commitment through our Foundation grants, matching gift program and corporate giving program. Last year, we contributed $4.8 million to these charitable causes, including the Hometown Care Fund, which provides energy payment assistance to low-income customers – much needed support during this brutally cold winter.

Growing your Alliant Energy investment

Our Board of Directors raised our annual dividend target to $2.04 per share, effective with this year’s February payment. This represents an increase of 9% over the previous annual rate. Alliant Energy has a long history of paying regular dividends to our common shareholders. In fact, we have paid a dividend for over 270 consecutive quarters – nearly 70 years – and that’s a direct testament to our company’s ability to provide consistent value to investors.

In addition to our ongoing dividend performance, Alliant Energy has provided long-term stock growth. We produced an average total return of over 120% over the five-year period ending December 31, 2013, which is better than the 64% weighted average total return of our peers in the electric utility industry. By staying true to our core strategy, we have been able to increase the investment value of Alliant Energy.

Our business has an impact on the world around us. We have a responsibility to our stakeholders to manage that impact wisely. By investing in environmental controls and promoting energy efficiency and renewable resources, we are acting on our commitment to environmental stewardship.

The entire Alliant Energy family says thank you for supporting our vision and for your commitment to our company and customers.

Sincerely,

Patricia Leonard Kampling
Chairman, President and CEO
March 5, 2014
Cleaner energy for a greener future

Alliant Energy wind turbine technicians manage day-to-day maintenance at our four wind farms. Our investment in wind exceeds $1.2 billion since 2008. In 2013, our company-owned wind farms generated nearly 1.4 million megawatt hours of renewable energy.
Below: We helped our commercial customers save 88 million kWh of electricity in 2013 – enough electricity for 8,600 typical homes in a year. They’re busy, so we’ve made quick access to cost-saving tips just a click away at alliantenergy.com/saveenergyandmoney.

Above: Agribusiness is critical to our success, ranking first in Iowa and third in Wisconsin in our industrial sales. We are proud to support this important sector of our states’ economies.

Alliant Energy key account managers work with businesses to address their energy needs and help reduce their costs. Lighting replacement and upgrades typically provide the quickest payback.

Keeping a home or business running and on budget can be a challenge. Alliant Energy helps customers save energy and money through energy-efficiency programs. In 2013, we funded more than $100 million in such programs across our territories.
Improving the air quality in communities we serve

We are investing $1 billion in air quality control systems at some of our largest power plants: Columbia Energy Center (Portage, Wis.), Edgewater (Sheboygan, Wis.), Ottumwa (Ottumwa, Iowa) and Lansing (Lansing, Iowa). The combination of technologies results in a significantly cleaner generating process.
Below: We invested almost $300 million in 2013 in the poles, wires and other equipment that deliver power to our customers. All of this is done with safety as our top priority.

Above: Construction has been underway since spring 2012 on air quality control systems at Alliant Energy’s Ottumwa Generating Station (whose plant manager is seen here). They are expected to reduce mercury emissions by 85%-90% and sulfur dioxide emissions by approximately 90%. The project is employing up to 400 people during the construction process. We expect to put the controls in commercial operation in 2014.

Sales of natural gas in our territories has increased over 13% in the last two years. We plan to continue this expansion to make this resource available to more of our customers.

Keeping our 1,750 trucks and service vehicles in good shape is critical to serving our customers’ needs, particularly when storms and disasters strike. Our company is looking toward the future by testing plug-in hybrid electric vehicles. These next-generation trucks have reduced fuel consumption, emissions and operating costs compared to stock vehicles. They are also quieter – the stored battery power can be used on job sites instead of an idling diesel engine.
Improving safety, reliability and service

Alliant Energy is replacing traditional streetlights with light-emitting diode (LED) streetlights in many communities – over 9,500 new lights to date. They emit a brighter, more direct light that improves visibility and safety. LED lights also last longer, use less energy, are more durable in the cold and require less maintenance.
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<td>Best available retrofit technology</td>
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<td>Carbon dioxide-equivalent</td>
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<td>Edgewater Generating Station</td>
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<td>EEP</td>
<td>Energy efficiency plan</td>
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<td>EGU</td>
<td>Electric generating unit</td>
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<td>Emery</td>
<td>Emery Generating Station</td>
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<td>EPA</td>
<td>U.S. Environmental Protection Agency</td>
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<td>EPB</td>
<td>Emissions plan and budget</td>
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<tr>
<td>EPS</td>
<td>Earnings per weighted average common share</td>
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<td>Federal Energy Regulatory Commission</td>
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<tr>
<td>FTR</td>
<td>Financial transmission right</td>
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<td>Fuel-related</td>
<td>Electric production fuel and energy purchases</td>
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<td>FWS</td>
<td>U.S. Fish and Wildlife Service</td>
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<td>GAAP</td>
<td>U.S. generally accepted accounting principles</td>
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<td>GHG</td>
<td>Greenhouse gases</td>
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<td>HAP</td>
<td>Hazardous air pollution</td>
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<td>HDD</td>
<td>Heating degree days</td>
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<td>Interstate Power and Light Company</td>
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<td>IPO</td>
<td>Initial public offering</td>
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<td>Abbreviation or Acronym</td>
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<td>------------------------</td>
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<td>Kewaunee</td>
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<tr>
<td>KWh</td>
<td>Kilowatt-hour</td>
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<td>MACT</td>
<td>Maximum achievable control technology</td>
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<td>Marshalltown</td>
<td>Marshalltown Generating Station</td>
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<td>MATS</td>
<td>Mercury and Air Toxic Standard</td>
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<td>MDA</td>
<td>Management’s Discussion and Analysis of Financial Condition and Results of Operations</td>
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<td>MGP</td>
<td>Manufactured gas plant</td>
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<td>Midcontinent Independent System Operator, Inc.</td>
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<td>MW</td>
<td>Megawatt</td>
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<td>NO2</td>
<td>Nitrogen dioxide</td>
</tr>
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<td>Notice of violation</td>
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<td>NOx</td>
<td>Nitrogen oxide</td>
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<td>PM</td>
<td>Particulate matter</td>
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<td>PM2.5</td>
<td>Fine particulate matter</td>
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<td>PPA</td>
<td>Purchased power agreement</td>
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<td>PSCW</td>
<td>Public Service Commission of Wisconsin</td>
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<td>PSD</td>
<td>Prevention of significant deterioration</td>
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<td>RPS</td>
<td>Renewable portfolio standard</td>
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<td>Regional Transmission Organization</td>
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<td>SCR</td>
<td>Selective catalytic reduction</td>
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<td>Sulfur dioxide</td>
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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 that could materially affect actual results include:

- federal and state regulatory or governmental actions, including the impact of energy, tax, financial and health care legislation, and of regulatory agency orders;
- IPL's and WPL's ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of operating costs, fuel costs, transmission costs, deferred expenditures, capital expenditures, and remaining costs related to EGUs that may be permanently closed, earning their authorized rates of return, and the payments to their parent of expected levels of dividends;
- the ability to continue cost controls and operational efficiencies;
- the impact of WPL's retail electric and gas base rate freeze in Wisconsin through 2014;
- weather effects on results of utility operations, including impacts of temperature changes in its service territories on customers’ demand for electricity and gas;
- the impact of the economy in its 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 its ability to implement its strategic plan, including unanticipated issues with new emission controls equipment for various coal-fired EGUs of IPL and WPL, IPL’s construction of its natural gas-fired EGU in Iowa, WPL's potential generation investment, Resources’ selling price of the electricity output from its Franklin County wind project, the potential decommissioning of certain EGUs of IPL and WPL, and the proposed sales of IPL’s electric and gas distribution assets in Minnesota;
- issues related to the availability of EGUs and the supply and delivery of fuel and purchased electricity and the price thereof, including the ability to recover and to retain the recovery of purchased power, fuel and fuel-related costs through rates in a timely manner;
- the impact that price changes may have on its customers’ demand for utility services;
- the impact of distributed generation, including alternative electric suppliers, in its service territories on system reliability, operating expenses and customers’ demand for electricity;
- issues associated with environmental remediation and environmental compliance, including compliance with the Consent Decree between WPL, the Sierra Club and the EPA, future changes in environmental laws and regulations, and litigation associated with environmental requirements;
- the ability to defend against environmental claims brought by state and federal agencies, such as the EPA, or third parties, such as the Sierra Club;
- the ability to recover through rates all environmental compliance and remediation costs, including costs for projects put on hold due to uncertainty of future environmental laws and regulations;
- impacts that storms or natural disasters in its service territories may have on its operations and recovery of, and rate relief for, costs associated with restoration activities;
- the direct or indirect effects resulting from terrorist incidents, including physical attacks and cyber attacks, or responses to such incidents;
- the impact of penalties or third-party claims related to, or in connection with, a failure to maintain the security of personally identifiable information, including associated costs to notify affected persons and to mitigate their information security concerns;
- impacts of future tax benefits from deductions for repairs expenditures and allocation of mixed service costs and temporary differences from historical tax benefits from such deductions that are included in rates when the differences reverse in future periods;
- any material post-closing adjustments related to any past asset divestitures, including the sale of RMT;
- continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;
- inflation and interest rates;
- changes to the creditworthiness of counterparties with which Alliant Energy has contractual arrangements, including participants in the energy markets and fuel suppliers and transporters;
- issues related to electric transmission, including operating in RTO energy and ancillary services markets, the impacts of potential future billing adjustments and cost allocation changes from RTOs and recovery of costs incurred;
• unplanned outages, transmission constraints or operational issues impacting fossil or renewable EGUs and risks related to recovery of resulting incremental costs through rates;
• current or future litigation, regulatory investigations, proceedings or inquiries;
• its ability to sustain its dividend payout ratio goal;
• employee workforce factors, including changes in key executives, collective bargaining agreements and negotiations, work stoppages or restructurings;
• access to technological developments;
• material changes in retirement and benefit plan costs;
• the impact of performance-based compensation plans accruals;
• the effect of accounting pronouncements issued periodically by standard-setting bodies;
• the impact of changes to production tax credits for wind projects;
• the impact of adjustments made to deferred tax assets and liabilities from state apportionment assumptions;
• the ability to utilize tax credits and net operating losses generated to date, and those that may be generated in the future, before they expire;
• the ability to successfully complete tax audits, changes in tax accounting methods, including changes required by new tangible property regulations, and appeals with no material impact on earnings and cash flows; and
• factors listed in MDA.

Alliant Energy assumes no obligation, and disclaims any duty, to update the forward-looking statements in this report.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes to Consolidated Financial Statements included in this report. Unless otherwise noted, all “per share” references in MDA refer to earnings per diluted share.

CONTENTS OF MDA

MDA consists of the following information:

• Executive Summary
• Strategic Overview
• Rate Matters
• Environmental Matters
• Legislative Matters
• Results of Operations
• Liquidity and Capital Resources
• Other Matters
  • Market Risk Sensitive Instruments and Positions
  • Critical Accounting Policies and Estimates
  • Other Future Considerations

EXECUTIVE SUMMARY

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>EPS</td>
<td></td>
</tr>
<tr>
<td>Utilities and Corporate Services</td>
<td>$356.5</td>
<td>$3.22</td>
</tr>
<tr>
<td>Non-regulated and parent</td>
<td>7.7</td>
<td>0.07</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>364.2</td>
<td>3.29</td>
</tr>
<tr>
<td>Loss from discontinued operations</td>
<td>(5.9)</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Net income</td>
<td>$358.3</td>
<td>$3.23</td>
</tr>
<tr>
<td></td>
<td>$319.8</td>
<td>$2.89</td>
</tr>
</tbody>
</table>

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

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

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

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

Refer to “Results of Operations” for additional details regarding the various factors impacting earnings during 2013, 2012 and 2011.

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

- January 2013 - The IUB issued an order allowing IPL to proceed with a PPA for the purchase of capacity and energy generated by DAEC for a term of February 22, 2014 through December 31, 2025.
- February 2013 - The IUB approved IPL’s most recent EPB, which includes emission controls projects for Ottumwa Unit 1 and Lansing Unit 4.
- April 2013 - WPL announced that its current environmental compliance plans include installing an SCR at Columbia Unit 2 to reduce NOx emissions. The SCR is expected to support compliance obligations for current and anticipated air quality regulatory requirements, including CAIR or some alternative to this rule that may be implemented. WPL currently expects to file a CA application with the PSCW in the second quarter of 2014 for the SCR at Columbia Unit 2.
- June 2013 - WPL received an order from the PSCW approving WPL’s CA application to install a scrubber and baghouse at Edgewater Unit 5 to reduce SO2 and mercury emissions. WPL currently expects to begin construction of the project in 2014 and place it in service in 2016.
- July 2013 - FERC issued an order requiring MISO, on behalf of ITC, to revise ITC’s Attachment “FF” tariff, which determines how much of the transmission network upgrade costs incurred to interconnect an EGU to ITC’s transmission system will be incurred by the owner of such EGU. The revisions to ITC’s Attachment “FF” tariff required by the FERC order result in the owners of the EGUs being responsible for a substantially higher portion of the transmission network upgrade costs required to meet MISO interconnection requirements. IPL and WPL currently anticipate that ITC will pursue an option separate from ITC’s revised Attachment “FF” tariff to self-fund the transmission network upgrades associated with Marshalltown and Bent Tree, respectively. As a result, ITC would incur the capital expenditures to construct the transmission network upgrades and include a direct charge for such transmission network upgrade costs as part of its electric transmission service costs billed to IPL and WPL as the owners of Marshalltown and Bent Tree, respectively.
- September 2013 - IPL signed separate definitive agreements to sell its Minnesota electric and natural gas distribution assets. Proceeds from the sales are expected to be approximately $128 million in aggregate, subject to customary closing adjustments. The proceeds are expected to reduce Alliant Energy’s future financing requirements. Pending all necessary federal and state regulatory approvals, including the MPUC, FERC and the IUB, the transactions are expected to be concluded in the second half of 2014. The electric distribution asset sales agreement includes a wholesale power supply agreement, which is subject to FERC approval. The agreement contains a five-year termination notice, which may not be given until the fifth anniversary of the effective date of the agreement, resulting in a minimum term of 10 years. This wholesale power supply agreement includes standardized pricing mechanisms that are detailed in IPL’s current tariffs accepted by FERC through wholesale rate case proceedings.
- November 2013 - Alliant Energy announced WPL currently expects to begin incurring capital expenditures in 2016 for a potential generation investment to address its future customer energy and capacity needs. Options under consideration include conversion of an existing natural gas-fired facility from simple-cycle to combined-cycle, or the construction of a new resource. WPL plans to complete a feasibility study of resource options and file the necessary regulatory applications for approval of the selected resource option with the PSCW by the end of 2014.
- November 2013 - The IUB issued an order approving a siting certificate and establishing rate-making principles for Marshalltown. The rate-making principles include a cost cap of $920 million (including costs to construct Marshalltown, a pipeline to supply natural gas to Marshalltown and transmission network upgrades to transmit electricity from Marshalltown, as well as AFUDC), an 11% return on common equity for the 35-year depreciable life and a 10.3% return on common equity for the calculation of AFUDC. Any costs incurred in excess of the cost cap are expected to be incorporated into rates if determined to be reasonable and prudent. The IUB’s approval is contingent upon the receipt of
various state and federal permitting approvals. Pending all remaining regulatory approvals, IPL currently expects to begin construction of Marshalltown in 2014 and place it in service in 2017.

- November 2013 - WPL received approval from MISO to retire Nelson Dewey Units 1 and 2. MISO has also approved WPL’s retirement of Edgewater Unit 3. Both approvals are contingent on completion of necessary transmission network upgrades.
- December 2013 - IPL received an order from the IUB approving IPL’s EEP for 2014 through 2018. The EEP includes IPL spending approximately $400 million for electric and natural gas energy efficiency programs in Iowa from 2014 through 2018, and is expected to conserve electric and natural gas usage equal to that of more than 100,000 homes.
- January 2014 - WPL received an order from the PSCW approving a request for generation performance and reliability improvements at Columbia Units 1 and 2. WPL expects to begin construction in the first half of 2015 and place the projects in service by the end of 2017.

**Rate Matters Highlights**

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

- January 2013 - The IUB authorized IPL to recover the Iowa retail portion of the costs of its DAEC PPA from Iowa retail electric customers through the energy adjustment clause beginning February 22, 2014. The IUB encouraged IPL to continue discussions with parties to the DAEC PPA proceeding to resolve concerns expressed by such parties during the proceeding regarding rate impacts beginning in 2014. IPL is preparing to file an Iowa retail electric base rate case without interim rates in late March 2014 in case such discussions do not result in a resolution of the issues. Based on the terms of the January 2013 order, if the IUB would order a rate decrease from such a rate case, IPL has agreed to subject its Iowa retail electric base rates to potential refund beginning February 22, 2014. IPL currently anticipates a decision from the IUB on this matter by the end of 2014, either through an approved rate case or an approved settlement.
- February 2013 - IPL received an order from the IUB approving the 2013 electric tax benefit rider tariff and a $24 million revenue requirement adjustment recognized during 2013.
- November 2013 - Alliant Energy announced WPL currently expects to make a retail rate filing in late March 2014 based on a forward-looking test period that may include calendar years 2015 and 2016. The form and magnitude of such filing is currently being analyzed and could range from a future test year 2015 electric fuel plan to a full rate case for the 2015 and 2016 test period. Any rate changes granted are expected to be effective in early 2015.
- December 2013 - IPL received an order from the IUB approving the 2014 electric tax benefit rider tariff and a $15 million revenue requirement adjustment to be recognized during 2014.
- December 2013 - IPL received an order from the MPUC approving full cost recovery of the Minnesota retail portion of IPL’s Whispering Willow - East wind project construction costs of approximately $30 million, effective January 1, 2013.
- December 2013 - WPL received an order from the PSCW authorizing an annual retail electric rate increase of $19 million, or approximately 2%, effective January 1, 2014, to reflect anticipated increases in retail electric fuel-related costs in 2014 compared to the fuel-related cost estimates used to determine rates for 2013. WPL’s 2014 fuel-related costs will be subject to deferral if they fall outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs.
- January 2014 - IPL received an order from the IUB approving IPL’s transmission cost rider rates effective February 1, 2014.

**Environmental Matters Highlights**

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

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

- June 2013 - The U.S. Supreme Court issued an order granting an EPA petition for review of a D.C. Circuit Court decision to vacate and remand CSAPR for further EPA review. The U.S. Supreme Court ruling on the CSAPR vacatur is expected in 2014, and during the interim, CAIR remains effective.

Legislative Matters Highlights
Alliant Energy monitors various legislative developments, including those relating to energy, tax, financial and other matters. Key legislative developments impacting Alliant Energy include the following. Refer to “Legislative Matters” for a more detailed discussion of legislative developments.

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

Liquidity and Capital Resources Highlights
Based on its current liquidity position and capital structure, Alliant Energy believes it will be able to secure the additional capital required to implement its strategic plan and to meet its long-term contractual obligations. Key financing developments impacting Alliant Energy include the following. Refer to “Liquidity and Capital Resources” for a more detailed discussion of financing developments.

- March 2013 - IPL issued 8,000,000 shares of 5.1% cumulative preferred stock and received proceeds of $200 million. The proceeds were used by IPL to redeem all 6,000,000 outstanding shares of its 8.375% cumulative preferred stock for $150 million, reduce commercial paper classified as long-term debt by $40 million and for other general corporate purposes.
- March 2013 - WPL redeemed all 1,049,225 outstanding shares of its 4.40% through 6.50% cumulative preferred stock for $61 million.
- August 2013 - WPL received approval from the PSCW to issue up to $400 million of long-term debt securities through 2014.
- October 2013 - IPL issued $250 million of 4.7% senior debentures due 2043. The proceeds from the issuance were used by IPL to reduce cash proceeds received from its sales of accounts receivable program, reduce commercial paper classified as long-term debt by $65 million and for general working capital purposes.
- November 2013 - Alliant Energy announced an increase in its targeted 2014 annual common stock dividend to $2.04 per share, which is equivalent to a quarterly rate of $0.51 per share, beginning with the February 2014 dividend payment.
- November 2013 - IPL received authority from FERC to issue through December 31, 2015 up to $750 million of long-term debt securities in aggregate, up to $750 million of short-term debt securities at any time and up to $300 million of preferred stock in aggregate.
- November 2013 - Alliant Energy announced its future financing plans, which currently include issuing up to $600 million ($300 million at IPL and $300 million at WPL) of additional long-term debt in 2014. Alliant Energy currently expects to issue approximately $150 million of common stock through 2016. Alliant Energy currently does not plan to issue any material amount of common stock in 2014.
- December 2013 - At December 31, 2013, Alliant Energy and its subsidiaries had $721 million of available capacity under their revolving credit facilities, $121 million of available capacity at IPL under its sales of accounts receivable program and $10 million of cash and cash equivalents.
- January 2014 - Moody’s Investors Service raised Alliant Energy’s and WPL’s credit ratings.

Other Matters Highlights
Other key developments that could impact Alliant Energy’s future financial condition or results of operations include the following. Refer to “Other Matters” for a more detailed discussion of potential impacts to future financial condition and results of operations.

- April 2013 - IPL and MidAmerican filed a joint Notice of Appeal, and the IUB and the Iowa Association of Electric Cooperatives filed Notices of Appeal, with the Iowa Supreme Court related to a ruling by the Polk County, Iowa District Court in March 2013. This ruling found Eagle Point is not a public utility and could sell directly to the City of Dubuque the power generated by a 175 kilowatt solar unit installed on the City’s property. The District Court decision is currently stayed. Alliant Energy is unable to determine how this District Court ruling may impact the level of third-party solar development in IPL’s service territory and resulting impact on future demand of electricity by IPL’s customers.
July 2013 - FERC issued an order requiring MISO, on behalf of ITC, to revise ITC’s Attachment “FF” tariff to conform to the MISO Attachment “FF” tariff. In August 2013, MISO submitted a filing with the proposed tariff revisions, which became effective as of the date of the July 2013 order. Also in August 2013, ITC filed a request for rehearing and/or clarification, and IPL filed a request for clarification. In February 2014, FERC issued an order that denied ITC’s request for rehearing, responded to the requests for clarification, accepted MISO’s tariff revisions and substantially affirmed its July 2013 order. The tariff revisions ordered by FERC are expected to reduce the amount of transmission network upgrade costs billed by ITC to IPL compared to what would have been billed under ITC’s prior Attachment “FF” tariff. Alliant Energy currently expects to pass on the Iowa retail portion of any changes in electric transmission service costs billed by ITC to IPL from the revision in ITC’s Attachment “FF” tariff to IPL’s retail electric customers in Iowa through the transmission cost recovery rider.

September 2013 - ITC finalized its Attachment “O” rate it proposes to charge its customers in 2014 for electric transmission services. The increase in ITC’s Attachment “O” rate, as well as MISO transmission charges for shared transmission projects, are expected to contribute to increases in future electric transmission service charges for IPL and WPL. Alliant Energy, IPL and WPL currently estimate their electric transmission service expenses in 2014 will be higher than the comparable expenses charged in 2013 by approximately $30 million, $20 million and $10 million, respectively. A significant portion of the increase in IPL’s electric transmission service expenses is expected to be offset with increases in electric revenues resulting from the transmission cost recovery rider. A significant portion of the increase in WPL’s electric transmission service expenses was utilized to set electric revenues approved by the PSCW in WPL’s latest retail electric base rate case.

November 2013 - A group of MISO industrial customer organizations filed a complaint with FERC requesting to: (1) reduce the base return on equity used by MISO transmission owners, including ITC and ATC, to 9.15%; (2) institute a regulatory capital structure not to exceed 50% of common equity; and (3) eliminate certain return on equity adders. ITC’s and ATC’s current authorized return on equity is 12.38% and 12.2%, respectively. ITC’s and ATC’s current authorized regulatory capital structure for common equity is 60% and 50%, respectively. Any change to ITC’s and ATC’s return on equity and regulatory capital structure for common equity would impact the calculation of their respective Attachment “O” rates, resulting in changes to electric transmission service costs billed by ITC and ATC to their customers. Any changes in IPL’s electric transmission service costs billed by ITC to IPL are expected to be passed on to IPL’s Iowa retail electric customers through the transmission cost recovery rider. Any changes in WPL’s electric transmission service costs will be incorporated into WPL’s retail electric rates in a future retail electric base rate proceeding with the PSCW. In addition, any change to ATC’s return on equity and regulatory capital structure for common equity could result in Alliant Energy realizing lower equity income and dividends from ATC in the future.

STRATEGIC OVERVIEW

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

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

Safe and Reliable Service - The strategic plan is intended to focus resources on providing safe and reliable electricity and natural gas service. Investments are expected to be targeted in system improvements, replacing aging infrastructure and distribution grid efficiency to maintain strong reliability. Alliant Energy monitors system performance and takes the necessary steps to continually improve the safety and reliability of its service for its customers. Providing exceptional customer service, including emergency and outage response, is part of Alliant Energy’s mission and commitment to the customers it serves.
Balanced Generation - One of the key components of Alliant Energy’s strategic plan is focused on a balanced and flexible portfolio of energy resources that will meet its utility customers’ short- and long-term energy needs. Alliant Energy believes a diversified fuel mix for its EGUs is important to meeting the needs of its customers, shareowners and the environment while preparing for a potentially carbon-constrained environment in the future. The current strategic plan includes the following diversified portfolio of energy resources:

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

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

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

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

Generation Plans - Alliant Energy reviews and updates, as deemed necessary and in accordance with regulatory requirements, its generation plans. Alliant Energy is currently evaluating the types of capacity and energy additions it will pursue to meet its customers’ long-term energy needs and is monitoring several related external factors that could influence those evaluations. Some of these external factors include regulatory policies and decisions, changes in long-term projections of customer demand, availability and cost effectiveness of different generation technologies, forward market prices for fossil fuels, market conditions for obtaining financing, developments related to federal and state RPS, environmental requirements, such as any future requirements relating to GHG emissions or renewable energy sources, and federal and state tax incentives.

Natural Gas-Fired Generation -

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

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

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

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

**Coal-Fired Generation**

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

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

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

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

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

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

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

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

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

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

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

(g) Reflects WPL’s 68.2% ownership interest in Edgewater Unit 4.
Alliant Energy is working with MISO, state regulatory commissions and other regulatory agencies, as required, to determine the final timing of these actions. The expected dates for the retirement and fuel switching of these EGUs are subject to change depending on operational, regulatory, market and other factors. Alliant Energy also continues to evaluate the potential retirement of other EGUs within its generation fleet.

**Nuclear Generation**

**IPL’s DAEC PPA** - In January 2013, the IUB issued an order allowing IPL to proceed with a PPA that was negotiated with NER, a subsidiary of NextEra Energy, Inc., for the purchase of capacity and energy generated by DAEC located near Palo, Iowa. The IUB also authorized IPL to recover the Iowa retail portion of the cost of the DAEC PPA from Iowa retail electric customers through the energy adjustment clause. The terms of the PPA provide IPL the right to NER’s entire output quantities (70% of the total plant output) in exchange for payment from IPL to NER based on the amount of MWhs received by IPL. IPL will purchase 431 MWs of capacity and the resulting energy from DAEC for a term from February 22, 2014 through December 31, 2025. Among the terms and conditions of the PPA are guarantees by NER to provide minimum amounts of capacity and energy. The PPA also contains provisions for the replacement of energy from alternative sources under certain conditions as well as provisions that convey to IPL the potential environmental attributes associated with its portion of the output from DAEC. Refer to “Rate Matters” for further discussion of the IUB’s January 2013 order approving the DAEC PPA.

**Wind Generation**

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

**Undeveloped Wind Sites** - IPL has approximately 200 MW of wind site capacity remaining in Franklin County, Iowa. WPL has approximately 200 MW of wind site capacity remaining in Freeborn County, Minnesota. Future development of the balance of these wind sites will depend on numerous factors such as changes in customer demand, RPS, environmental requirements, electricity and fossil fuel prices, wind project costs, technology advancements and transmission capabilities. Refer to Note 3 of the “Notes to Consolidated Financial Statements” for further discussion of the Franklin County wind project and undeveloped wind sites.

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

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

Utility Business Divestitures -

IPL’s Minnesota Electric and Natural Gas Distribution Assets - Refer to Note 3(a) of the “Notes to Consolidated Financial Statements” for discussion of the proposed sales of IPL’s Minnesota electric and natural gas distribution assets. Alliant Energy currently does not expect the sales of these assets to have a significant impact on its earnings for 2014.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IPL’s Iowa Retail Gas Rate Case (2011 Test Year) - In May 2012, IPL filed a request with the IUB to increase annual rates for its Iowa retail gas customers based on a 2011 historical test year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. The key drivers for the filing included recovery of capital investments since IPL’s last Iowa retail gas rate case filed in 2005. In conjunction with the filing, IPL implemented an interim retail gas rate increase of $9 million, or approximately 3%, on an annual basis, effective June 4, 2012.

In November 2012, the IUB approved a settlement agreement between IPL, the OCA and the Iowa Consumers Coalition related to IPL’s request resulting in a final increase in annual rates for IPL’s Iowa retail gas customers of $11 million, or

F-16
In 2010, IPL filed a request with the IUB to increase annual rates for its Iowa retail electric customers based on a 2009 historical test year as adjusted for certain known and measurable items at the time of the filing. The key drivers for the filing included recovery of investments in IPL’s Whispering Willow - East wind project and emission controls projects at Lansing Unit 4, and recovery of increased electric transmission service costs. In conjunction with the filing, IPL implemented an interim retail rate increase of $14 million, on an annual basis, effective July 6, 2010.

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

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

Refer to Note 2 of the “Notes to Consolidated Financial Statements” for discussion of changes to regulatory assets and regulatory liabilities in 2011 based on the MPUC’s November 2011 order. Refer to Note 3(a) of the “Notes to Consolidated Financial Statements” for discussion of the tax benefit riders.

IPL’s Iowa Retail Electric Rate Case (2009 Test Year) - In 2010, IPL filed a request with the IUB to increase annual rates for its Iowa retail electric customers based on a 2009 historical test year as adjusted for certain known and measurable 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 controls projects at Lansing Unit 4, and recovery of increased electric transmission service costs. In conjunction with the filing, IPL implemented an interim retail electric rate increase of $119 million, or approximately 10%, on an annual basis, effective March 20, 2010. In February 2011, IPL received an order from the IUB authorizing a final annual retail electric rate increase of $114 million, or approximately 10%. Because the final rate increase level was below the interim rate increase level of $119 million implemented on March 20, 2010, IPL refunded $5 million, including interest, to its Iowa retail electric customers in 2011.

Refer to Note 2 of the “Notes to Consolidated Financial Statements” for details of changes to regulatory assets and regulatory liabilities based on a separate January 2011 IUB order.

Transmission Cost Rider - In January 2011, the IUB approved IPL’s proposal to implement a transmission cost rider for recovery of electric transmission service expenses incurred to provide electric service to IPL’s retail customers in Iowa. The IUB stipulated that the rider would be implemented on a pilot basis conditional upon IPL’s agreement to not file a retail electric base rate case for three years from the date of the order and meet additional reporting requirements. In January 2011,
In November 2013, IPL filed its latest request with the IUB to update the rates IPL uses to bill its Iowa retail electric customers in 2014 under the transmission cost rider. In January 2014, IPL received an order from the IUB approving IPL’s rates for 2014 as requested, which became effective February 1, 2014. Refer to “Other Future Considerations - Electric Transmission Service Charges” for discussion of estimated increases in transmission service charges expected by IPL for 2014.

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

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

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

WPL’s Retail Fuel-related Rate Filings -

2014 Test Year - In December 2013, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $19 million, or approximately 2%, effective January 1, 2014, to reflect anticipated increases in retail electric fuel-related costs in 2014 compared to the fuel-related cost estimates used to determine rates for 2013. WPL’s 2014 fuel-related costs will be subject to deferral if they fall outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Deferral of under-collections are reduced to the extent WPL’s actual return on common equity exceeds the most recently authorized return on common equity.

2013 Test Year - In December 2012, WPL received an order from the PSCW authorizing an annual retail electric rate decrease of $29 million, or approximately 3%, effective January 1, 2013 to reflect anticipated decreases in retail electric fuel-related costs in 2013 compared to the fuel-related cost estimates used to determine rates for 2012. WPL’s 2013 fuel-related costs were subject to deferral if they fell outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL for 2013 did not fall outside of the fuel monitoring range.

2012 Test Year - In December 2011, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $4 million, effective January 1, 2012 to reflect anticipated increases in fuel-related costs in 2012 compared to
fuel-related cost estimates used to determine rates for 2011. WPL’s 2012 fuel-related costs were subject to deferral if they fell outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL in 2012 were lower than retail fuel-related costs used to determine rates for such period resulting in an over-collection of fuel-related costs for 2012 of approximately $17 million (including $11 million outside the approved range for 2012 recorded in “Regulatory liabilities” on the Consolidated Balance Sheet as of December 31, 2012). In 2013, WPL refunded $12 million, including interest, to its retail electric customers for these over-collections.

Planned Utility Rate Cases in 2014 -

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

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

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

<table>
<thead>
<tr>
<th>Jurisdictions</th>
<th>Test Period</th>
<th>Authorized Return on Common Equity (a)</th>
<th>Regulatory Capital Structure</th>
<th>After-tax WACC</th>
<th>Average Rate Base (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CE</td>
<td>PE</td>
<td>LD</td>
<td>SD</td>
<td></td>
</tr>
<tr>
<td>IPL:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iowa retail (IUB):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Emery (b)</td>
<td>2009</td>
<td>11.58%</td>
<td>48.2% 6.5% 45.3% N/A</td>
<td>8.85%</td>
<td>$281</td>
</tr>
<tr>
<td>- Whispering Willow - East (b)</td>
<td>2009</td>
<td>11.09%</td>
<td>48.2% 6.5% 45.3% N/A</td>
<td>8.61%</td>
<td>266</td>
</tr>
<tr>
<td>- Other (b)</td>
<td>2009</td>
<td>9.53%</td>
<td>48.2% 6.5% 45.3% N/A</td>
<td>7.86%</td>
<td>1,843</td>
</tr>
<tr>
<td>Gas (c)</td>
<td>2011</td>
<td>9.56%</td>
<td>48.8% 5.0% 46.2% N/A</td>
<td>7.76%</td>
<td>255</td>
</tr>
<tr>
<td>Minnesota retail (MPUC):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>2009</td>
<td>10.35%</td>
<td>47.7% 6.3% 43.9% 2.1%</td>
<td>8.11%</td>
<td>126 (d)</td>
</tr>
<tr>
<td>Gas</td>
<td>1994</td>
<td>10.75%</td>
<td>41.0% 7.4% 44.0% 7.6%</td>
<td>8.82%</td>
<td>7</td>
</tr>
<tr>
<td>Wholesale electric (FERC) (e)</td>
<td>2013</td>
<td>10.97%</td>
<td>48.9% 5.4% 45.7% N/A</td>
<td>8.32%</td>
<td>30</td>
</tr>
<tr>
<td>WPL:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wisconsin retail (PSCW):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>2014</td>
<td>10.40%</td>
<td>49.4% 1.9% 44.2% 4.5%</td>
<td>7.77%</td>
<td>2,240 (f)</td>
</tr>
<tr>
<td>Gas</td>
<td>2014</td>
<td>10.40%</td>
<td>49.4% 1.9% 44.2% 4.5%</td>
<td>7.77%</td>
<td>199 (f)</td>
</tr>
<tr>
<td>Wholesale electric (FERC) (g)</td>
<td>2013</td>
<td>10.90%</td>
<td>55.0% N/A 45.0% N/A</td>
<td>8.49%</td>
<td>273 (h)</td>
</tr>
</tbody>
</table>
(a) Authorized returns on common equity may not be indicative of actual returns earned or projections of future returns.
(b) Authorized returns on common equity and after-tax WACC reflect application of double leverage pursuant to the IUB’s January 2011 order discussed above. Prior to the application of double leverage, authorized returns on common equity were: Emery-12.23%, Whispering Willow-East-11.7% and Other-10.0%, and after-tax WACC were: Emery-9.16%, Whispering Willow-East-8.91% and Other-8.09%.
(c) Authorized returns on common equity and after-tax WACC reflect application of double leverage pursuant to the unanimous settlement agreement approved in the IUB’s November 2012 order. Prior to the application of double leverage, authorized return on common equity was 10.0% and after-tax WACC was 8.0%.
(d) Average rate base amounts do not include Whispering Willow - East capital costs, which are currently being recovered through a temporary renewable energy rider approved by the MPUC. Refer to “IPL’s Minnesota Retail Electric Rate Case (2009 Test Year)” above for details of the final recovery amount of the Whispering Willow - East capital costs.
(e) IPL’s wholesale formula rates reflect annual changes in CE, PE, LD, WACC and rate base.
(f) Average rate base amounts do not include CWIP or a cash working capital allowance. The PSCW provides a return on selected CWIP and a cash working capital allowance by adjusting the percentage return on rate base.
(g) WPL’s wholesale formula rates reflect annual changes in WACC and rate base.
(h) WPL’s wholesale average rate base reflects production-related rate base calculated as the simple average of the beginning of year and end of year balances in accordance with WPL’s approved formula rates.

ENVIRONMENTAL MATTERS

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

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

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

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

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

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

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

(a) M.L. Kapp Unit 2 is expected to switch from coal to natural gas as its primary fuel type in 2015.
(b) In 2012, IPL switched Sutherland Units 1 and 3 to using natural gas as their primary fuel type; however, Sutherland Units 1 and 3 are still permitted to burn coal and are subject to all of the coal-burning EGU air regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>CO2e emissions (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>25.2</td>
</tr>
<tr>
<td>2011</td>
<td>26.7</td>
</tr>
</tbody>
</table>

(a) CO2e emissions reported to the EPA represent all emissions from the facilities operated by IPL and WPL and do not reflect their share of co-owned facilities operated by other companies.
In 2010, the EPA issued the GHG Tailoring Rule, which establishes a GHG emission threshold for major sources under the PSD construction permit and Title V operation permit. Legal challenges to the EPA’s permit authority to regulate GHG emissions under the GHG Tailoring Rule are pending review in the Supreme Court. There is no required deadline for the Supreme Court to issue a decision in this case.

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

The EPA is expected to issue proposed and final NSPS for GHG emissions for existing EGUs by June 1, 2014 and June 1, 2015, respectively, which would provide guidelines that states must follow to achieve required GHG emissions reductions. SIPs that provide details of how these guidelines are to be met would be required from state agencies by June 30, 2016.

Accordingly, the implications of the EPA’s NSPS for GHG emissions from new and existing EGUs remains highly uncertain. Alliant Energy is currently unable to predict with certainty the final outcome of these standards, but expects that expenditures to comply with any regulations to reduce GHG emissions could be significant.

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

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

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

Hydroelectric Fish Passage Device - In 2002, FERC issued an order requiring WPL to install a fish passage device at its Prairie du Sac hydro plant. WPL has been working with the FWS and the Wisconsin DNR on the final design for the fish passage device. In 2012, FERC approved an updated deadline to install an agency-approved fish passage device at the facility by July 1, 2015. In January 2013, the FWS initiated an environmental study of the fish passage device under the National Environmental Policy Act, which could result in changes to the design of the fish passage device. The FWS has indicated that this environmental study will be completed in 2014, during which time WPL is expected to request an extension of the project deadline from FERC. Alliant Energy currently believes the required capital investments and/or modifications to install the currently designed fish passage device at the facility could be approximately $15 million.
Effluent Limitation Guidelines - In June 2013, the EPA issued proposed effluent limitation guidelines, which would require changes to discharge limits for wastewater from steam generating facilities. IPL and WPL have identified eleven (Emery Units 1-3, Ottumwa Unit 1, Prairie Creek Units 3-4, Fox Lake Units 1 and 3, Lansing Unit 4, Dubuque Units 3-4, M.L. Kapp Unit 2, Burlington Unit 1, Sutherland Units 1 and 3, George Neal Units 3-4 and Louisa Unit 1) and four (Riverside Units 1-3, Columbia Units 1-2, Nelson Dewey Units 1-2 and Edgewater Units 3-5) existing steam generating facilities, respectively, that are expected to be impacted by these guidelines. In addition, Marshalltown is expected to be impacted by these guidelines. Also, WPL’s potential generation investment could be impacted by these guidelines. Based on information in the proposed guidelines, IPL is currently unable to determine if Prairie Creek Unit 1 may be impacted by these guidelines. Compliance with these proposed guidelines would be required after July 1, 2017 but before July 1, 2022, depending on each facility’s wastewater permit cycle for existing steam generating facilities and immediately upon operation for new steam generating facilities constructed after the issuance of the final guidelines. Given that the EPA has not yet issued final guidelines, Alliant Energy is currently unable to predict with certainty the impact of these guidelines on its financial condition and results of operations, but believes the expenditures to comply with these guidelines could be significant.

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

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

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

LEGISLATIVE MATTERS

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

ATR Act - In January 2013, the ATR Act was enacted. The most significant provision of the ATR Act for Alliant Energy relates to the extension of bonus depreciation deductions for certain expenditures for property that are incurred through December 31, 2013. Based on capital projects placed into service in 2013 and projected to be placed into service 2014, Alliant Energy currently estimates its total bonus depreciation deductions to be claimed on its U.S. federal income tax returns for calendar years 2013 and 2014 will be approximately $130 million ($70 million for IPL and $45 million for WPL) and $250 million ($100 million for IPL and $150 million for WPL), respectively.

RESULTS OF OPERATIONS


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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012 (a)</th>
<th>2011 (b)</th>
<th>2013</th>
<th>2012 (a)</th>
<th>2011 (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$1,009.1</td>
<td>$975.9</td>
<td>3%</td>
<td>$985.8</td>
<td>1%</td>
<td>1,009.1</td>
</tr>
<tr>
<td>Commercial</td>
<td>649.4</td>
<td>611.4</td>
<td>6%</td>
<td>612.1</td>
<td>—%</td>
<td>649.4</td>
</tr>
<tr>
<td>Industrial</td>
<td>765.4</td>
<td>741.8</td>
<td>3%</td>
<td>748.9</td>
<td>1%</td>
<td>765.4</td>
</tr>
<tr>
<td>Retail subtotal</td>
<td>2,423.9</td>
<td>2,329.1</td>
<td>4%</td>
<td>2,346.8</td>
<td>1%</td>
<td>2,423.9</td>
</tr>
<tr>
<td>Sales for resale:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td>195.4</td>
<td>187.6</td>
<td>4%</td>
<td>189.8</td>
<td>1%</td>
<td>195.4</td>
</tr>
<tr>
<td>Bulk power and other</td>
<td>17.7</td>
<td>23.8</td>
<td>(26%)</td>
<td>52.2</td>
<td>(54%)</td>
<td>763</td>
</tr>
<tr>
<td>Other</td>
<td>52.0</td>
<td>48.8</td>
<td>7%</td>
<td>47.0</td>
<td>4%</td>
<td>152</td>
</tr>
<tr>
<td>Total revenues/sales</td>
<td>2,689.0</td>
<td>2,589.3</td>
<td>4%</td>
<td>2,635.8</td>
<td>2%</td>
<td>2,689.0</td>
</tr>
<tr>
<td>Electric production fuel expense</td>
<td>431.0</td>
<td>367.2</td>
<td>17%</td>
<td>428.3</td>
<td>14%</td>
<td>431.0</td>
</tr>
<tr>
<td>Energy purchases expense</td>
<td>294.0</td>
<td>345.1</td>
<td>(15%)</td>
<td>336.2</td>
<td>3%</td>
<td>294.0</td>
</tr>
<tr>
<td>Purchased electric capacity expense</td>
<td>216.8</td>
<td>271.5</td>
<td>(20%)</td>
<td>257.2</td>
<td>6%</td>
<td>216.8</td>
</tr>
<tr>
<td>Margins (c)</td>
<td>$1,747.2</td>
<td>$1,605.5</td>
<td>9%</td>
<td>$1,614.1</td>
<td>1%</td>
<td>$1,747.2</td>
</tr>
</tbody>
</table>

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

### 2013 vs. 2012 Summary

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

### 2012 vs. 2011 Summary

Electric margins decreased $9 million, or 1%, primarily due to $22 million of decreased revenues due to higher credits on Iowa retail electric customers’ bills resulting from the electric tax benefit rider during 2012 compared to 2011. Other decreases to electric margins included $8 million of higher purchased electric capacity expenses at WPL related to the Kewaunee PPA, $6 million of higher purchased electric capacity expenses at IPL related to the DAEC PPA, $5 million of revenues recognized in 2011 related to interim fuel rates collected in 2010 at WPL and lower weather-normalized sales volumes at WPL. These items were partially offset by $16 million of higher revenues at IPL related to increases in recovery of transmission costs related to the transmission rider implemented in 2011, a $10 million increase in electric margins from changes in the recovery of electric production fuel and energy purchases expenses at WPL, an estimated $7 million increase in electric margins from changes in sales caused by weather conditions in Alliant Energy’s service territories, $2 million of SO2 emission allowance charges at IPL in 2011 and an increase in weather-normalized sales volumes at IPL. The higher transmission rider revenues were offset by higher electric transmission service expenses.

### Forecast

In December 2013, the IUB authorized IPL to reduce the billing credits on customers’ bills by $15 million in 2014 to recognize the revenue requirement impact of the changes in tax accounting methods in electric revenues. Refer to “Rate Matters” for additional discussion.

### Weather Conditions

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>Normal (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Rapids, Iowa (IPL)</td>
<td>884</td>
<td>1,052</td>
<td>887</td>
<td>740</td>
</tr>
<tr>
<td>Madison, Wisconsin (WPL)</td>
<td>709</td>
<td>1,070</td>
<td>814</td>
<td>625</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL</td>
<td>$16</td>
<td>$15</td>
<td>$16</td>
</tr>
<tr>
<td>WPL</td>
<td>9</td>
<td>21</td>
<td>13</td>
</tr>
<tr>
<td>Total Alliant Energy</td>
<td>$25</td>
<td>$36</td>
<td>$29</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

Purchased Electric Capacity Expenses - Alliant Energy enters into PPAs to help meet the electricity demand of IPL’s and WPL’s customers. Certain of these PPAs include minimum payments for IPL’s and WPL’s rights to electric generating capacity. The Riverside PPA terminated in conjunction with WPL’s acquisition of Riverside in December 2012. Details of purchased electric capacity expense included in the utility electric margins table above were as follows (in millions):
Forecast - Purchased electric capacity expenses are expected to decrease significantly in 2014 compared to 2013 due to the expiration of the existing DAEC PPA in February 2014 and the expiration of the Kewaunee PPA in December 2013. Purchased electric capacity expenses from the existing DAEC PPA are estimated to be $25 million in 2014. The new DAEC PPA effective February 2014 does not contain minimum payments for electric generating capacity.

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Revenues and Costs (dollars in millions)</th>
<th>Dths Sold (Dths in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>2012 (a)</td>
</tr>
<tr>
<td>Residential</td>
<td>$262.5</td>
</tr>
<tr>
<td>Commercial</td>
<td>$224.3</td>
</tr>
<tr>
<td>Industrial</td>
<td>$269.7 (17%)</td>
</tr>
<tr>
<td><strong>Total revenues/sales</strong></td>
<td><strong>464.8</strong></td>
</tr>
<tr>
<td>Cost of gas sold</td>
<td><strong>276.7</strong></td>
</tr>
<tr>
<td>Margins (c)</td>
<td><strong>$188.1</strong></td>
</tr>
<tr>
<td>(a) Reflects the % change from 2012 to 2013.</td>
<td></td>
</tr>
<tr>
<td>(c) Includes $11 million of credits on Iowa retail gas customers’ bills for 2013 resulting from IPL’s gas tax benefit rider.</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

Weather Conditions - Alliant Energy’s gas sales demand follows a seasonal pattern with an annual base load of gas and a large heating peak occurring during the winter season. HDD data is used to measure the variability of temperatures during winter months and is correlated with gas sales demand. HDD in Alliant Energy’s service territories were as follows:

<table>
<thead>
<tr>
<th>HDD (a):</th>
<th>Actual 2013</th>
<th>Actual 2012</th>
<th>Actual 2011</th>
<th>Normal (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Rapids, Iowa (IPL)</td>
<td>7,232</td>
<td>5,901</td>
<td>6,745</td>
<td>6,794</td>
</tr>
<tr>
<td>Madison, Wisconsin (WPL)</td>
<td>7,627</td>
<td>5,964</td>
<td>6,992</td>
<td>7,089</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL</td>
<td>$3</td>
<td>($6)</td>
<td>$—</td>
</tr>
<tr>
<td>WPL</td>
<td>3</td>
<td>(7)</td>
<td>—</td>
</tr>
<tr>
<td>Total Alliant Energy</td>
<td><strong>$6</strong></td>
<td><strong>($13)</strong></td>
<td>$—</td>
</tr>
</tbody>
</table>

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

Utility Other Revenues -

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

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

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

Forecast - Refer to “Other Future Considerations” for discussion of potential increases in future electric transmission service expenses.

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

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

2013 vs. 2012 Summary:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher generation expenses (a)</td>
<td>$16</td>
</tr>
<tr>
<td>Higher performance-based compensation expenses (b)</td>
<td>11</td>
</tr>
<tr>
<td>Higher distribution system expenses (c)</td>
<td>10</td>
</tr>
<tr>
<td>Higher expenses related to coal sales at WPL (d)</td>
<td>7</td>
</tr>
<tr>
<td>Higher bad debt expense at IPL (e)</td>
<td>6</td>
</tr>
<tr>
<td>Regulatory-related credits from WPL’s 2013/2014 rate case decision recorded in 2012 (f)</td>
<td>5</td>
</tr>
<tr>
<td>Higher cost of capital charges from Corporate Services (g)</td>
<td>5</td>
</tr>
<tr>
<td>Contract amortization expenses at WPL in 2013 (h)</td>
<td>5</td>
</tr>
<tr>
<td>Lower energy conservation cost recovery amortizations at WPL (i)</td>
<td>(20)</td>
</tr>
<tr>
<td>Regulatory-related credit from IPL’s Minnesota decision regarding Whispering Willow - East recorded in 2013 (j)</td>
<td>(7)</td>
</tr>
<tr>
<td>Contract cancellation charge at IPL in 2012 (k)</td>
<td>(3)</td>
</tr>
<tr>
<td>Other</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$31</strong></td>
</tr>
</tbody>
</table>

2012 vs. 2011 Summary:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory-related (charges) and credits from IPL’s Minnesota electric rate case order recorded in 2011 (f)</td>
<td>($11)</td>
</tr>
<tr>
<td>Lower generation expenses at IPL (a)</td>
<td>(10)</td>
</tr>
<tr>
<td>Additional benefits costs for Cash Balance Plan amendment in 2011 (l)</td>
<td>(10)</td>
</tr>
<tr>
<td>Regulatory asset impairments in 2011 (m)</td>
<td>(9)</td>
</tr>
<tr>
<td>Regulatory-related credits from WPL’s 2013/2014 rate case decision recorded in 2012 (f)</td>
<td>(5)</td>
</tr>
<tr>
<td>Wind site impairment charge at WPL in 2011 (n)</td>
<td>(5)</td>
</tr>
<tr>
<td>SO2 emission allowance charge allocated to IPL’s steam business in 2011 (o)</td>
<td>(2)</td>
</tr>
<tr>
<td>Cost of capital charges from Corporate Services in 2012 (g)</td>
<td>9</td>
</tr>
<tr>
<td>Contract cancellation charge at IPL in 2012 (k)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>($40)</strong></td>
</tr>
</tbody>
</table>

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

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

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

(d) Changes in expenses related to coal sales at WPL were largely offset by changes in coal sales revenue at WPL.
(e) Higher bad debt expense at IPL was largely due to increases in past due accounts receivable during 2013.

(f) Refer to Notes 2 and 3(a) of the “Notes to Consolidated Financial Statements” for details of regulatory-related charges and credits recognized in 2011 and 2012.

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

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

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

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

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

(l) Refer to Notes 12(a) and 16(c) of the “Notes to Consolidated Financial Statements” for details of the additional benefit costs incurred in 2011 resulting from an amendment to the Cash Balance Plan and details of the Cash Balance Plan lawsuit.

(m) Refer to Note 2 of the “Notes to Consolidated Financial Statements” for details of regulatory asset impairments incurred in 2011.

(n) Refer to Note 3(a) of the “Notes to Consolidated Financial Statements” for details of the wind site impairment charge recorded in 2011.

(o) Refer to Note 2 of the “Notes to Consolidated Financial Statements” for details of the SO2 emission allowance charges recorded in 2011.

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

**Depreciation and Amortization Expenses**

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

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

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

**Interest Expense**

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

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

**Forecast** - Alliant Energy currently expects its interest expense to increase in 2014 compared to 2013 due to financings in 2013 and 2014 to fund capital expenditures for emission controls projects. Refer to “Liquidity and Capital Resources” for details of Alliant Energy’s financing forecast.
Refer to Note 9 of the “Notes to Consolidated Financial Statements” for additional details of debt.

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

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

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

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

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

**Preferred Dividend Requirements of Subsidiaries** -

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

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

**LIQUIDITY AND CAPITAL RESOURCES**

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

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

**Capital Structure** - Alliant Energy plans to maintain debt-to-total capitalization ratios that are consistent with its investment-grade credit ratings. Alliant Energy currently expects to maintain capital structures in which debt would not exceed 45% to 55% of total capital and preferred stock would not exceed 5% to 10% of total capital. These targets may be adjusted depending on subsequent developments and their impact on Alliant Energy’s weighted average cost of capital and investment-grade credit ratings. Capital structures at December 31, 2013 were as follows (dollars in millions):
Alliant Energy intends to manage these capital structures and liquidity positions in such a way that facilitates its ability to raise the necessary funds reliably and on reasonable terms and conditions, while maintaining financial capital structures consistent with those approved by regulators and necessary to maintain appropriate credit quality. In addition to capital structures, other important financial considerations used to determine the characteristics of future financings include potential proceeds from asset sales, financial coverage ratios, flexibility in capital spending plans, regulatory orders and rate-making considerations, the levels of debt imputed by rating agencies, market conditions and the impact of tax initiatives. The most significant debt imputations relate to the sales of accounts receivable program, the DAEC PPA, and pension and other postretirement benefits obligations. The PSCW factors certain imputed debt adjustments in establishing a regulatory capital structure as part of WPL’s retail rate cases. The IUB and MPUC do not make any explicit adjustments for imputed debt in establishing capital ratios used in determining customer rates, although such adjustments are considered by IPL in recommending an appropriate capital structure.

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

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents, January 1</td>
<td>$21.2</td>
<td>$11.4</td>
<td>$159.3</td>
</tr>
</tbody>
</table>

Cash flows from (used for):

<table>
<thead>
<tr>
<th>Activity</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>731.0</td>
<td>841.1</td>
<td>702.7</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(754.7)</td>
<td>(1,155.5)</td>
<td>(652.1)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>12.3</td>
<td>324.2</td>
<td>(198.5)</td>
</tr>
<tr>
<td>Net increase (decrease)</td>
<td>(11.4)</td>
<td>9.8</td>
<td>(147.9)</td>
</tr>
<tr>
<td>Cash and cash equivalents, December 31</td>
<td>$9.8</td>
<td>$21.2</td>
<td>$11.4</td>
</tr>
</tbody>
</table>

Operating Activities -

2013 vs. 2012 - Cash flows from operating activities decreased $110 million primarily due to $91 million of lower cash flows from changes in the level of IPL’s accounts receivable sold during 2013 and 2012, $63 million of cash flows from operations at RMT in 2012 due to changes in working capital requirements associated with renewable energy projects, lower cash flows from changes in prepaid gas and inventory levels of gas stored underground at IPL and WPL, and refunds paid by WPL to its retail electric customers during 2013 for over-collected fuel-related costs during 2012. These items were partially offset by $59 million of purchased electric capacity payments by WPL in 2012 related to the Riverside PPA, and the timing of electric fuel-related, natural gas and transmission cost recoveries at IPL.
2012 vs. 2011 - Cash flows from operating activities increased $138 million primarily due to $166 million of higher cash flows from operations at RMT due to changes in working capital requirements associated with renewable energy projects in 2012 and 2011 and $117 million of pension plan contributions in 2011. These items were partially offset by $85 million of lower cash flows from changes in the level of IPL’s accounts receivable sold during 2012 and 2011, $22 million of higher credits on retail electric customers’ bills in Iowa during 2012 compared to 2011 resulting from IPL’s electric tax benefit rider and changes in working capital during 2012 and 2011.

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL</td>
<td>—</td>
<td>$3</td>
<td>$25</td>
</tr>
<tr>
<td>WPL</td>
<td>23</td>
<td>(3)</td>
<td>(51)</td>
</tr>
<tr>
<td>Other subsidiaries</td>
<td>(33)</td>
<td>(20)</td>
<td>15</td>
</tr>
<tr>
<td>Alliant Energy</td>
<td>($10)</td>
<td>($20)</td>
<td>($11)</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL (a)</td>
<td>$1</td>
<td>—</td>
<td>$58</td>
</tr>
<tr>
<td>WPL (a)</td>
<td>—</td>
<td>—</td>
<td>47</td>
</tr>
<tr>
<td>Other subsidiaries</td>
<td>2</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Alliant Energy</td>
<td>$3</td>
<td>$16</td>
<td>$117</td>
</tr>
</tbody>
</table>

(a) Pension plan contributions for IPL and WPL include contributions to their respective qualified pension plans as well as an assigned portion of the contributions to pension plans sponsored by Corporate Services.
Alliant Energy currently does not expect to make any significant pension plan contributions in 2014 through 2016 based on the funded status and assumed return on assets for each plan as of the December 31, 2013 measurement date. Refer to Note 12(a) of the “Notes to Consolidated Financial Statements” for discussion of the current funded levels of pension plans and contributions expected in 2014.

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

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

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

2012 vs. 2011 - Cash flows used for investing activities increased $503 million primarily due to $485 million of higher construction and acquisition expenditures and $12 million of net proceeds from the sales of IEA and RMT’s environmental business unit in 2011. The higher construction and acquisition expenditures resulted from expenditures during 2012 for WPL’s purchase of Riverside, the Franklin County wind project, Corporate Services’ purchase of its corporate headquarters building, and emission controls projects at WPL’s Columbia Units 1 and 2, IPL’s Ottumwa Unit 1 and IPL’s George Neal Units 3 and 4. These items were partially offset by progress payments by IPL during 2011 for wind turbine generators that were sold to Resources in 2011, and expenditures during 2011 for WPL’s Bent Tree - Phase I wind project and WPL’s acquisition of the remaining 25% interest in Edgewater Unit 5.

Construction and Acquisition Expenditures - Capital expenditures and financing plans are reviewed, approved and updated as part of Alliant Energy’s financial planning processes. Significant capital projects and investments are subject to a cross-functional review prior to approval. Changes in anticipated construction and acquisition expenditures may result from a number of reasons including economic conditions, regulatory requirements, changing legislation, ability to obtain adequate and timely rate relief, improvements in technology, changing market conditions and new opportunities. Alliant Energy has not yet entered into contractual commitments relating to the majority of its anticipated future capital expenditures. As a result, it has some discretion with regard to the level and timing of capital expenditures eventually incurred, and closely monitors and frequently updates such estimates. Alliant Energy currently anticipates construction and acquisition expenditures for 2014 through 2017 as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility business (a):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marshalltown</td>
<td>$185</td>
<td>$280</td>
<td>$190</td>
</tr>
<tr>
<td>WPL generation investment (b)</td>
<td>—</td>
<td>—</td>
<td>45</td>
</tr>
<tr>
<td>Generation performance improvements</td>
<td>70</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Environmental compliance</td>
<td>185</td>
<td>145</td>
<td>140</td>
</tr>
<tr>
<td>Electric and gas distribution systems</td>
<td>315</td>
<td>320</td>
<td>315</td>
</tr>
<tr>
<td>Other</td>
<td>125</td>
<td>140</td>
<td>120</td>
</tr>
<tr>
<td>Total utility business</td>
<td>880</td>
<td>910</td>
<td>855</td>
</tr>
<tr>
<td>Corporate Services (c)</td>
<td>55</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>Other non-utility (c)</td>
<td>10</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>$945</td>
<td>$950</td>
<td>$880</td>
</tr>
</tbody>
</table>

F-35
(a) Cost estimates represent Alliant Energy’s, IPL’s or WPL’s estimated portion of total escalated construction expenditures and exclude AFUDC, if applicable. Refer to “Strategic Overview” for further discussion of key projects impacting construction and acquisition plans related to the utility business.

(b) Initial cost estimates are based on WPL potentially constructing a 300 MW natural gas-fired combined-cycle EGU. These initial cost estimates are preliminary and will be updated in the future after the resource option is selected. Refer to “Strategic Overview” for further details on WPL’s potential generation investment, including WPL’s feasibility study of resource options.

(c) Cost estimates represent total escalated construction and acquisition expenditures and exclude capitalized interest.

**Financing Activities -**

2013 vs. 2012 - Cash flows from financing activities decreased $312 million primarily due to the impacts of $385 million of long-term debt issued in 2012 discussed below, payments of $211 million to redeem IPL’s and WPL’s cumulative preferred stock in 2013 and net changes in the amount of commercial paper outstanding at Alliant Energy, IPL and WPL. These items were partially offset by $250 million of proceeds from the issuance of 4.7% senior debentures by IPL in 2013 and $200 million of proceeds from IPL’s issuance of 5.1% cumulative preferred stock in 2013.

2012 vs. 2011 - Cash flows from financing activities increased $523 million primarily due to the impacts of $385 million of long-term debt issued in 2012 discussed below, changes in the amount of commercial paper outstanding at Alliant Energy, IPL and WPL, and $40 million of payments to redeem IPL’s 7.10% cumulative preferred stock in April 2011.

**FERC and Public Utility Holding Company Act Financing Authorizations** - Under the Public Utility Holding Company Act of 2005, FERC has authority over the issuance of utility securities, except to the extent that a public utility’s primary state regulatory commission has retained jurisdiction over such matters. FERC currently has authority over the issuance of securities by IPL and Corporate Services. FERC does not have authority over the issuance of securities by Alliant Energy, WPL or Resources.

In November 2013, IPL received authorization from FERC through December 31, 2015 for the following (in millions):

<table>
<thead>
<tr>
<th>Initial Authorization and Current Remaining Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt securities issuances in aggregate</td>
</tr>
<tr>
<td>Short-term debt securities outstanding at any time (including borrowings from its parent)</td>
</tr>
<tr>
<td>Preferred stock issuances in aggregate</td>
</tr>
</tbody>
</table>

In 2012, Corporate Services received authorization from FERC for $150 million of long-term debt securities issuances in aggregate (with $75 million of remaining authority as of December 31, 2013) and to maintain up to $200 million of short-term debt securities outstanding at any time through March 30, 2014. As of December 31, 2013, Corporate Services has authority under the 2012 order issued by FERC to receive an unspecified amount of capital contributions and advances from its parent or other affiliates through March 30, 2014. In January 2013, FERC accepted Corporate Services’ filing canceling its market-based rate authority tariff. As a result, Corporate Services will no longer be considered a public utility under the Federal Power Act and will no longer be required to seek authority from FERC for future securities issuances beyond the March 30, 2014 authorization period.

**State Regulatory Financing Authorizations** - In 2011, WPL received authorization from the PSCW to have up to $400 million of short-term borrowings and/or letters of credit outstanding at any time through the earlier of the expiration date of WPL’s credit facility agreement (including extensions) or December 2019. As of December 31, 2013, WPL also has remaining authority to issue up to $400 million of long-term debt securities in aggregate in 2014 pursuant to an August 2013 PSCW order.

In 2010, the MPUC issued an order that determined IPL does not need to obtain authorization to issue securities as long as IPL is not organized under the laws of the state of Minnesota and the securities issued do not encumber any of its property in the state of Minnesota. IPL currently does not have, and does not plan to issue, securities that encumber its property, thus IPL is not currently required to obtain approval from the MPUC for unsecured securities issuances. However, if in the future IPL were to subject its utility property in Minnesota to an encumbrance for the purpose of securing the payment of any indebtedness, IPL would be required to obtain an order from the MPUC approving such securities issuances.

**Shelf Registrations** - Alliant Energy, IPL and WPL have current shelf registration statements on file with the Securities and Exchange Commission for availability to issue securities through December 2014 as follows:
<table>
<thead>
<tr>
<th>Securities available to be issued</th>
<th>Aggregate amount available as of December 31, 2013</th>
<th>Unspecified</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common stock, debt and other securities</td>
<td></td>
<td>$350 million</td>
<td>$550 million</td>
</tr>
<tr>
<td></td>
<td>Preferred stock and debt securities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Common Stock Dividends** - Payment of common stock dividends is subject to dividend declaration by Alliant Energy’s Board of Directors. Alliant Energy’s general long-term goal is to maintain a dividend payout ratio that is competitive with the industry average. Based on that, Alliant Energy’s goal is to maintain a dividend payout ratio of approximately 60% to 70% of consolidated earnings from continuing operations. Alliant Energy’s dividend payout ratio was 57% of its consolidated earnings from continuing operations in 2013. Refer to “Financing Forecast” below for discussion of expected common stock dividends in 2014. Refer to Note 7 of the “Notes to Consolidated Financial Statements” for discussion of IPL’s and WPL’s dividend payment restrictions based on the terms of applicable regulatory limitations and IPL’s outstanding preferred stock.


**Preferred Stock Issuance and Redemptions** - Refer to Note 8 of the “Notes to Consolidated Financial Statements” for discussion of IPL’s and WPL’s preferred stock redemptions and IPL’s issuance of preferred stock in 2013.

**Short-term Debt** - Alliant Energy and its subsidiaries maintain committed revolving credit facilities to provide short-term borrowing flexibility and backstop liquidity for commercial paper outstanding. At December 31, 2013, Alliant Energy’s short-term borrowing arrangements included three revolving credit facilities totaling $1 billion ($300 million for Alliant Energy at the parent company level, $300 million for IPL and $400 million for WPL). There are currently 13 lenders that participate in the three credit facilities, with aggregate respective commitments ranging from $10 million to $135 million. In 2013, each of the credit facilities was extended one year through December 2017, and each has a one-year extension renewal provision remaining, subject to lender approval. Each of the credit facilities has a provision to expand the facility size up to $100 million, subject to lender approval for Alliant Energy and IPL, and subject to lender and regulatory approvals for WPL. During 2013, the Alliant Energy parent company, IPL and WPL issued commercial paper to meet short-term financing requirements and did not borrow directly under their respective credit facilities.

Alliant Energy’s, IPL’s and WPL’s credit facility agreements each contain a financial covenant, which requires the entities to maintain certain debt-to-capital ratios in order to borrow under the credit facilities. The debt component of the capital ratios includes long- and short-term debt (excluding non-recourse debt and hybrid securities to the extent the total carrying value of such hybrid securities does not exceed 15% of consolidated capital of the applicable borrower), capital lease obligations, letters of credit, guarantees of the foregoing and new synthetic leases. Unfunded vested benefits under qualified pension plans are not included in the debt-to-capital ratios. The equity component of the capital ratios excludes accumulated other comprehensive income (loss).

The credit agreements contain provisions that prohibit placing liens on any of Alliant Energy’s, IPL’s or WPL’s property or their respective subsidiaries with certain exceptions. Exceptions include among others, liens to secure obligations of up to 5% of the consolidated assets of the applicable borrower (valued at carrying value), liens imposed by government entities, materialmens’ and similar liens, judgment liens, and liens to secure non-recourse debt not to exceed $100 million outstanding at any one time, and purchase money liens.

The credit agreements contain provisions that require, during their term, any proceeds from asset sales, with certain exclusions, in excess of 20% of Alliant Energy’s, IPL’s and WPL’s respective consolidated assets be used to reduce commitments under their respective facilities. Exclusions include, among others, certain sale and lease-back transactions and sales of non-regulated assets and accounts receivable.

The credit agreements contain customary events of default. In addition, Alliant Energy’s credit agreement contains a cross-default provision that would be triggered if Alliant Energy or any domestic, majority-owned subsidiary of Alliant Energy defaults on debt (other than non-recourse debt) totaling $50 million or more. A cross-default provision would be triggered for Alliant Energy under the IPL or WPL credit agreements if IPL or WPL, as applicable, or a majority-owned subsidiary accounting for 20% or more of IPL’s or WPL’s, as applicable, consolidated assets (valued at carrying value) defaults on debt totaling $50 million or more. A default by a minority-owned subsidiary and, in the case of the Alliant Energy credit agreement, a default by a foreign subsidiary, would not trigger a cross-default. A default by Alliant Energy, Corporate
Services or Resources and its subsidiaries would not trigger a cross-default under either the IPL or WPL credit agreements, nor would a default by either of IPL or WPL constitute a cross-default event for the other. If an event of default under any of the credit agreements occurs and is continuing, then the lenders may declare any outstanding obligations under the credit agreements immediately due and payable. In addition, any order for relief is entered under bankruptcy laws with respect to Alliant Energy, IPL or WPL, then any outstanding obligations under the respective credit agreements would be immediately due and payable. In addition, IPL’s sales of accounts receivable program agreement contains a cross-default provision that is triggered if IPL or Alliant Energy incurs an event of default on debt totaling $50 million or more. If an event of default under IPL’s sales of accounts receivable program agreement occurs, then the counterparty could terminate such agreement. Refer to Note 5(a) of the “Notes to Consolidated Financial Statements” for additional information on amounts outstanding under IPL’s sales of accounts receivable program.

A material adverse change representation is not required for borrowings under the credit agreements.

At December 31, 2013, Alliant Energy, IPL and WPL were in compliance with all material covenants and other provisions of the credit agreements.

Refer to Note 9(a) of the “Notes to Consolidated Financial Statements” for additional information on the credit facilities, commercial paper outstanding and debt-to-capital ratios.

Long-term Debt - In 2013 and 2012, there were no significant retirements of long-term debt. In 2013 and 2012, significant issuances of long-term debt were as follows (dollars in millions):

<table>
<thead>
<tr>
<th>Company</th>
<th>Principal Amount</th>
<th>Type</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Use of Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013: IPL</td>
<td>$250</td>
<td>Senior debentures</td>
<td>4.7%</td>
<td>Oct-2043</td>
<td>Reduce cash proceeds received from its sales of accounts receivable program, reduce commercial paper classified as long-term debt and for general working capital purposes</td>
</tr>
<tr>
<td>2012: WPL</td>
<td>250</td>
<td>Debentures</td>
<td>2.25%</td>
<td>Nov-2022</td>
<td>Fund a portion of the purchase price of Riverside Corporate Services</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>75</td>
<td>Senior notes</td>
<td>3.45%</td>
<td>Sep-2022</td>
<td>Repay short-term debt primarily incurred for the purchase of the corporate headquarters building and for general working capital purposes</td>
</tr>
<tr>
<td>Franklin County Holdings LLC</td>
<td>60</td>
<td>Variable-rate term loan credit agreement</td>
<td>1.04% at December 31, 2013</td>
<td>Dec-2014</td>
<td>Fund a portion of the costs of the Franklin County wind project</td>
</tr>
</tbody>
</table>

Refer to Note 9(b) of the “Notes to Consolidated Financial Statements” for further discussion of long-term debt.

Financing Forecast - Alliant Energy currently anticipates the following financing activities to occur in the future, contingent on the completion of the sale of IPL’s Minnesota electric and natural gas distribution assets in 2014.

- Long-term Debt - Alliant Energy currently expects to issue up to $600 million ($300 million at IPL and $300 million at WPL) of additional long-term debt in 2014. In addition, Alliant Energy currently anticipates refinancing $250 million of senior notes at the parent company and a $60 million term loan credit agreement at Franklin County Holdings LLC in the second half of 2014.
- Common Stock Issuances - Alliant Energy currently expects to issue approximately $150 million of common stock through 2016. Alliant Energy currently does not plan to issue any material amount of common stock in 2014.
- Common Stock Dividends - In November 2013, Alliant Energy announced an increase in its targeted 2014 annual common stock dividend to $2.04 per share, which is equivalent to a quarterly rate of $0.51 per share, beginning with the February 2014 dividend payment. The timing and amount of future dividends is subject to an approved dividend declaration from its Board of Directors, and is dependent upon earnings expectations, capital requirements, and general financial business conditions, among other factors.

Creditworthiness -

Ratings Triggers - The long-term debt of Alliant Energy and its subsidiaries is not subject to any repayment requirements as a result of explicit credit rating downgrades or so-called “ratings triggers.” However, Alliant Energy and its subsidiaries are parties to various agreements that contain provisions dependent on credit ratings. In the event of a significant downgrade, Alliant Energy or its subsidiaries may need to provide credit support, such as letters of credit or cash collateral equal to the amount of the exposure, or may need to unwind the contract or pay the underlying obligation. In the event of a significant
downgrade, management believes Alliant Energy, IPL and WPL have sufficient liquidity to cover counterparty credit support or collateral requirements under these various agreements. In addition, a downgrade in the credit ratings of Alliant Energy, IPL or WPL could also result in them paying higher interest rates in future financings, reduce their pool of potential lenders, increase their borrowing costs under existing credit facilities or limit their access to the commercial paper market. Alliant Energy is committed to taking the necessary steps required to maintain investment-grade credit ratings. Current credit ratings and outlooks are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Standard &amp; Poor’s Ratings Services</th>
<th>Moody’s Investors Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliant Energy:</td>
<td>Corporate/issuer</td>
<td>A-</td>
</tr>
<tr>
<td></td>
<td>Commercial paper</td>
<td>A-2</td>
</tr>
<tr>
<td></td>
<td>Senior unsecured long-term debt</td>
<td>BBB+</td>
</tr>
<tr>
<td></td>
<td>Outlook</td>
<td>Stable</td>
</tr>
<tr>
<td>IPL:</td>
<td>Corporate/issuer</td>
<td>A-</td>
</tr>
<tr>
<td></td>
<td>Commercial paper</td>
<td>A-2</td>
</tr>
<tr>
<td></td>
<td>Senior unsecured long-term debt</td>
<td>A-</td>
</tr>
<tr>
<td></td>
<td>Preferred stock</td>
<td>BBB</td>
</tr>
<tr>
<td></td>
<td>Outlook</td>
<td>Stable</td>
</tr>
<tr>
<td>WPL:</td>
<td>Corporate/issuer</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Commercial paper</td>
<td>A-1</td>
</tr>
<tr>
<td></td>
<td>Senior unsecured long-term debt</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Outlook</td>
<td>Stable</td>
</tr>
<tr>
<td>Resources:</td>
<td>Corporate/issuer</td>
<td>A-</td>
</tr>
</tbody>
</table>

Credit ratings are not recommendations to buy or sell securities and are subject to change, and each rating should be evaluated independently of any other rating. Alliant Energy assumes no obligation to update these credit ratings. Refer to Note 15 of the “Notes to Consolidated Financial Statements” for additional information on ratings triggers for commodity contracts accounted for as derivatives.

**Off-Balance Sheet Arrangements - Special Purpose Entities** - IPL maintains a Receivables Agreement whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third party through wholly-owned and consolidated special purpose entities. In 2013, 2012 and 2011, IPL evaluated the third party that purchases IPL’s receivable assets under the Receivables Agreement and believes that the third party is a VIE. However, IPL does not have a variable interest in the third party. Refer to “Cash Flows - Operating Activities - IPL’s Sales of Accounts Receivable Program” and Note 5(a) of the “Notes to Consolidated Financial Statements” for information regarding IPL’s sales of accounts receivable program.

**Guarantees and Indemnifications** - Alliant Energy has guarantees and indemnifications outstanding at December 31, 2013 related to its prior divestiture activities. Refer to Note 16(d) of the “Notes to Consolidated Financial Statements” for additional information.

**Certain Financial Commitments - Contractual Obligations** - Consolidated long-term contractual obligations as of December 31, 2013 were as follows (in millions):

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expense purchase obligations (Note 16(b)):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased power and fuel commitments (a)</td>
<td>$487</td>
<td>$338</td>
<td>$265</td>
<td>$222</td>
<td>$195</td>
<td>$1,031</td>
<td>$2,538</td>
</tr>
<tr>
<td>SO2 emission allowances</td>
<td>—</td>
<td>12</td>
<td>14</td>
<td>8</td>
<td>—</td>
<td>—</td>
<td>34</td>
</tr>
<tr>
<td>Other (b)</td>
<td>8</td>
<td>3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>11</td>
<td>34</td>
</tr>
<tr>
<td>Long-term debt maturities (Note 9(b))</td>
<td>359</td>
<td>183</td>
<td>3</td>
<td>4</td>
<td>355</td>
<td>2,444</td>
<td>3,348</td>
</tr>
<tr>
<td>Interest - long-term debt obligations</td>
<td>173</td>
<td>158</td>
<td>154</td>
<td>154</td>
<td>153</td>
<td>1,847</td>
<td>2,639</td>
</tr>
<tr>
<td>Capital purchase obligations (Note 16(a))</td>
<td>86</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>86</td>
</tr>
<tr>
<td>Operating leases (Note 10(a))</td>
<td>10</td>
<td>9</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>22</td>
<td>49</td>
</tr>
<tr>
<td>Capital leases</td>
<td>1</td>
<td>1</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

(a) Purchased power and fuel commitments represent normal business contracts used to ensure adequate purchased power, coal and natural gas supplies, and to minimize exposure to market price fluctuations.
(b) Other operating expense purchase obligations represent individual commitments incurred during the normal course of business that exceeded $1 million at December 31, 2013.

At December 31, 2013, Alliant Energy had no uncertain tax positions recorded as liabilities. Refer to Note 12(a) of the “Notes to Consolidated Financial Statements” for anticipated pension and other postretirement benefits funding amounts, which are not included in the above table. Refer to “Cash Flows - Investing Activities - Construction and Acquisition Expenditures” for additional information on construction and acquisition programs. In addition, at December 31, 2013, there were various other long-term liabilities and deferred credits included on the Consolidated Balance Sheet that, due to the nature of the liabilities, the timing of payments cannot be estimated and are therefore excluded from the above table.

OTHER MATTERS

Market Risk Sensitive Instruments and Positions - Alliant Energy’s primary market risk exposures are associated with commodity prices, investment prices and interest rates. Alliant Energy has risk management policies to monitor and assist in mitigating these market risks and uses derivative instruments to manage some of the exposures. Refer to Notes 1(h) and 15 of the “Notes to Consolidated Financial Statements” for further discussion of derivative instruments.

Commodity Price - Alliant Energy is exposed to the impact of market fluctuations in the price and transportation costs of commodities it procures and markets. Alliant Energy employs established policies and procedures to mitigate its risks associated with these market fluctuations, including the use of various commodity derivatives and contracts of various durations for the forward sale and purchase of these commodities. Alliant Energy’s exposure to commodity price risks in its utility businesses is also significantly mitigated by current rate-making structures in place for recovery of its fuel-related costs as well as its cost of natural gas purchased for resale. IPL’s electric and gas tariffs and WPL’s wholesale electric and gas tariffs provide for subsequent monthly adjustments to their tariff rates for material changes in prudently incurred commodity costs. IPL’s and WPL’s rate mechanisms, combined with commodity derivatives, significantly reduce commodity risk associated with Alliant Energy’s electric and gas margins.

WPL’s retail electric margins have the most exposure to the impact of changes in commodity prices for Alliant Energy due largely to the current retail recovery mechanism in place in Wisconsin for fuel-related costs. The cost recovery mechanism applicable for WPL’s retail electric customers is based on forecasts of fuel-related costs expected to be incurred during forward-looking test year periods and fuel monitoring ranges determined by the PSCW during each retail electric rate proceeding or in a separate fuel cost plan approval proceeding. Under this cost recovery mechanism, if WPL’s actual fuel-related costs fall outside this fuel monitoring range during the test period, WPL is authorized to defer the incremental under-/over-collection of fuel-related costs from retail electric customers that are outside the approved ranges. Deferral of under-collection of fuel-related costs are reduced to the extent WPL’s return on common equity during the fuel cost plan year exceeds the most recently authorized return on common equity. Retail fuel-related costs incurred by WPL for 2013 did not fall outside of the fuel monitoring range.

In December 2013, the PSCW approved annual forecasted fuel-related costs per MWh of $25.11 based on $345 million of variable fuel-related costs for WPL’s 2014 test period. These 2014 fuel-related costs will be monitored using an annual bandwidth of plus or minus 2%. Based on the cost recovery mechanism in Wisconsin, the annual forecasted fuel-related costs approved by the PSCW in December 2013 and an annual bandwidth of plus or minus 2%, Alliant Energy currently estimates the commodity risk exposure to electric margins in 2014 is approximately $5 million. However, if WPL’s return on common equity in 2014 exceeds the most recently authorized return on common equity, the commodity risk exposure to electric margins in 2014 could increase.

Refer to “Rate Matters” and Note 1(g) of the “Notes to Consolidated Financial Statements” for additional details of utility cost recovery mechanisms that significantly reduce commodity risk.

Investment Price - Alliant Energy is exposed to investment price risk as a result of its investments in securities, largely related to securities held by its pension and other postretirement benefits plans. Refer to Note 12(a) of the “Notes to Consolidated Financial Statements” for details of the securities held by its pension and other postretirement benefits plans. Refer to “Critical Accounting Policies and Estimates - Pensions and Other Postretirement Benefits” for the impact on Alliant Energy’s retirement plan costs of changes in the rate of returns earned by its plan assets.

Interest Rate - Alliant Energy is exposed to risk resulting from changes in interest rates as a result of its issuance of variable-rate borrowings. In addition, Alliant Energy is exposed to risk resulting from changes in interest rates as a result of cash proceeds outstanding under IPL’s sales of accounts receivable program. Assuming the impact of a hypothetical 100 basis
point increase in interest rates on variable-rate borrowings, commercial paper and cash proceeds outstanding under IPL’s sales of accounts receivable program at December 31, 2013, Alliant Energy’s annual pre-tax expense would increase by approximately $4 million.

Refer to Note 5(a) and Note 9 of the “Notes to Consolidated Financial Statements” for additional information on cash proceeds outstanding under IPL’s sales of accounts receivable program, and short- and long-term variable-rate borrowings, respectively. Refer to “Critical Accounting Policies and Estimates - Pensions and Other Postretirement Benefits” for the impacts of changes in discount rates on retirement plan obligations and costs.

**Critical Accounting Policies and Estimates** - The preparation of consolidated financial statements in conformity with GAAP requires that management apply accounting policies and make estimates that affect results of operations and the amounts of assets and liabilities reported in the financial statements. Based on historical experience and various other factors, Alliant Energy believes the following accounting policies and estimates are critical to its business and the understanding of its financial results as they require critical assumptions and judgments by management. The results of these assumptions and judgments form the basis for making estimates regarding the results of operations and the amounts of assets and liabilities that are not readily apparent from other sources. Actual financial results may differ materially from these estimates. Alliant Energy’s management has discussed these critical accounting policies and estimates with the Audit Committee of the Board of Directors. Refer to Note 1 of the “Notes to Consolidated Financial Statements” for additional discussion of accounting policies and the estimates used in the preparation of the consolidated financial statements.

**Contingencies** - Alliant Energy makes assumptions and judgments each reporting period regarding the future outcome of contingent events and records loss contingency amounts for any contingent events that are both probable and reasonably estimated based upon current available information. The amounts recorded may differ from the actual income or expense that occurs when the uncertainty is resolved. The estimates that Alliant Energy makes in accounting for contingencies, and the gains and losses that it records upon the ultimate resolution of these uncertainties, could have a significant effect on its results of operations and the amount of assets and liabilities in its financial statements. Note 16 of the “Notes to Consolidated Financial Statements” provides discussion of contingencies assessed at December 31, 2013 including various pending legal proceedings, guarantees and indemnifications that may have a material impact on Alliant Energy’s financial condition and results of operations.

**Regulatory Assets and Regulatory Liabilities** - Alliant Energy’s utility subsidiaries (IPL and WPL) are regulated by various federal and state regulatory agencies. As a result, they are subject to accounting guidance for regulated operations, which recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets or regulatory liabilities arise as a result of a difference between GAAP and the accounting principles imposed by the regulatory agencies in the rate-making process. Regulatory assets generally represent incurred costs that have been deferred as they are probable of recovery in future customer rates. Regulatory liabilities generally represent obligations to make refunds to customers and amounts collected in rates for which the related costs have not yet been incurred. Alliant Energy recognizes regulatory assets and regulatory liabilities in accordance with the rulings of applicable federal and state regulators, and future regulatory rulings may impact the carrying value and accounting treatment of its regulatory assets and regulatory liabilities.

Alliant Energy makes assumptions and judgments each reporting period regarding whether its regulatory assets are probable of future recovery and its regulatory liabilities are probable future obligations by considering factors such as regulatory environment changes, rate orders issued by the applicable regulatory agencies and historical decisions by such regulatory agencies regarding similar regulatory assets and regulatory liabilities. The decisions made by regulatory authorities have an impact on the recovery of costs, the rate of return on invested capital and the timing and amount of assets to be recovered by rates. A change in these decisions may result in a material impact on Alliant Energy’s results of operations and the amount of assets and liabilities in its financial statements. Note 2 of the “Notes to Consolidated Financial Statements” provides details of the nature and amounts of regulatory assets and regulatory liabilities assessed at December 31, 2013 as well as material changes to its regulatory assets and regulatory liabilities during 2013.

**Long-Lived Assets** - Alliant Energy completes periodic assessments regarding the recoverability of certain long-lived assets when factors indicate the carrying value of such assets may be impaired or such assets are planned to be sold. These assessments require significant assumptions and judgments by management. The long-lived assets assessed for impairment generally include assets within its non-regulated operations that are proposed to be sold or are generating operating losses, and certain long-lived assets within its regulated operations that may not be fully recovered from IPL’s and WPL’s customers as a result of regulatory decisions in the future.
Non-regulated Operations - Factors considered in determining if an impairment review is necessary for long-lived assets within non-regulated operations include a significant underperformance of the assets relative to historical or projected future operating results, a significant change in the use of the acquired assets or business strategy related to such assets, and significant negative industry, regulatory or economic trends. When an impairment review is deemed necessary, a comparison is made between the expected undiscounted future cash flows and the carrying amount of the asset. If the carrying amount of the asset exceeds the expected undiscounted future cash flows, an impairment loss is recognized equal to the amount by which the carrying amount of the asset exceeds the fair value of the asset. The fair value is determined by the use of quoted market prices, appraisals, or the use of valuation techniques such as expected discounted future cash flows. Alliant Energy’s long-lived assets within its non-regulated operations assessed in 2013 included the Franklin County wind project and a wind site currently expected to be used to develop a future wind project.

Franklin County Wind Project - Alliant Energy completed construction of its 99 MW Franklin County wind project and placed it into service in 2012. In 2012, Alliant Energy performed an impairment test of the carrying value of the Franklin County wind project given a significant change in the use of the asset as a result of it being placed into service, continued downturn in forward electricity prices in 2012 and no long-term off-take arrangement. The test concluded the undiscounted cash flows expected from the Franklin County wind project during its estimated useful life exceeded its carrying value as of December 31, 2012, resulting in no impairment. In 2013, Alliant Energy evaluated if there were any significant changes in the undiscounted cash flows used in the 2012 impairment test, which may indicate a significant decrease in the market value of the Franklin County wind project. No significant changes in the undiscounted cash flows were identified, and as a result, an impairment test was not required in 2013. Future changes in the estimated cash flows could result in the undiscounted cash flows being less than the carrying amount and a future material impairment could be required. Primary factors that could have an effect on the future expected cash flows for the project include the price of electricity generated from the project during its useful life, the volume of electricity generated, the expected life of the project, probability of selling the wind project, and changes in anticipated operation and maintenance expenses. An impairment of the Franklin County wind project could be triggered in the future if long-term electricity prices stay at current levels or decline, or if the expected output or life of the project is significantly reduced. As of December 31, 2013, the carrying value of the Franklin County wind project was $142 million and was recorded in “Non-regulated Generation property, plant and equipment” on the Consolidated Balance Sheet. Note 3 of the “Notes to Consolidated Financial Statements” provides additional discussion of the Franklin County wind project.

Undeveloped Wind Site - As of December 31, 2013, Alliant Energy has an undeveloped wind site with capitalized costs of $13 million related to IPL’s approximate 200 MW of wind site capacity in Franklin County, Iowa. Alliant Energy assessed the recoverability of this undeveloped wind site given the long-term period projected until the site is utilized and concluded no impairment test was required in 2013. Changes in the future use of this undeveloped wind site could result in a future material impairment. The future utilization of this undeveloped wind site is dependent on the future demand of wind energy in the region where the wind site is located. Such future wind energy demand is dependent on various factors including future government incentives for wind projects, energy policy and legislation including federal and state renewable energy standards and regulation of carbon emissions, electricity and fossil fuel prices, transmission constraints in the region where the wind site is located and further technological advancements for wind generation. Alliant Energy currently believes, based on a combination of the various factors, further wind development in the region where the wind site is located will occur. Alliant Energy could realize an impairment related to this wind site if one or more of these factors are no longer expected to occur, or actions by regulatory agencies with jurisdiction over IPL indicate the costs of the undeveloped wind site would not be approved to be recovered from customers.

Regulated Operations - Long-lived assets within regulated operations are reviewed for possible impairment whenever events or changes in circumstances indicate all or a portion of the carrying value of the assets may be disallowed for rate-making purposes. If IPL or WPL is disallowed recovery of any portion of the carrying value of its regulated property, plant and equipment that has been recently completed or is probable of being retired early, an impairment charge is recognized equal to the amount of the carrying value that was disallowed recovery. If IPL or WPL is disallowed a full or partial return on the carrying value of its regulated property, plant and equipment that has been recently completed or is probable of being retired early, an impairment charge is recognized equal to the difference between the carrying amount of the asset and the present value of the future revenues expected from its regulated property, plant and equipment. Alliant Energy’s long-lived assets within its regulated operations that were assessed for impairment in 2013 included transmission network upgrade costs related to WPL’s Bent Tree - Phase I wind project, the Minnesota retail electric portion of IPL’s Whispering Willow - East wind project, and IPL’s and WPL’s generating units subject to early retirement.
WPL’s Bent Tree - Phase I Wind Project - Certain costs incurred by WPL in 2011 and 2012 related to transmission network upgrades at its Bent Tree - Phase I wind project have been subject to periodic recoverability assessments. In July 2013, FERC issued an order requiring changes to ITC’s Attachment “FF” tariff, which results in owners of the EGUs being responsible for a substantially higher portion of the transmission network upgrade costs required to meet MISO interconnection requirements. As a result, Alliant Energy does not expect reimbursement of these transmission network upgrade costs from ITC and could record an impairment of these costs in the future if WPL is not allowed to recover these costs from its electric customers. As of December 31, 2013, Alliant Energy recorded $14 million in “Deferred charges and other” on the Consolidated Balance Sheet related to the transmission network upgrades constructed by ITC. Refer to “Other Future Considerations - Electric Transmission Service Charges” for further discussion of transmission network upgrade costs.

IPL’s Whispering Willow - East Wind Project - Refer to Note 3(a) of the “Notes to Consolidated Financial Statements” for discussion of adjustments in 2011 and 2013 to the carrying value of IPL’s Whispering Willow - East wind project, based on amounts IPL determined were probable of being disallowed for recovery from its Minnesota retail electric customers.

Generating Units Subject to Early Retirement - Due to current and proposed environmental regulations, Alliant Energy is evaluating future plans for its electric generation fleet and has announced the early retirement of certain older and less-efficient EGUs. When it becomes probable that an EGU will be retired before the end of its useful life, Alliant Energy must assess whether the EGU meets the criteria to be considered probable of abandonment. EGUs that are considered probable of abandonment generally have material remaining net book values and are expected to cease operations in the near term significantly before the end of their original estimated useful lives. If an EGU meets the criteria to be considered probable of abandonment, Alliant Energy must assess the probability of full recovery of the remaining carrying value of such EGU. If it is probable that regulators will not allow full recovery of and a full return on the remaining carrying amount of the abandoned EGU, an impairment charge is recognized equal to the difference between the remaining carrying value and the present value of the future revenues expected from the abandoned EGU. Alliant Energy evaluated its EGUs that are subject to early retirement and determined that Edgewater Unit 3 and Nelson Dewey Units 1 and 2 met the criteria to be considered probable of abandonment as of December 31, 2013. Alliant Energy concluded that no impairment was required as of December 31, 2013 for Edgewater Unit 3 and Nelson Dewey Units 1 and 2 given that WPL is recovering the remaining net book value of these EGUs over a 10-year period beginning January 1, 2013 pursuant to a PSCW order issued in May 2012. Refer to Note 3(a) of “Notes to Consolidated Financial Statements” for additional details of the EGUs anticipated to be retired in the future. Refer to “Strategic Overview” for discussion of EGUs that may be retired by Alliant Energy in the future, along with the aggregate net book value of these EGUs.

Unbilled Revenues - Unbilled revenues are primarily associated with Alliant Energy’s utility operations. Energy sales to individual customers are based on the reading of customers’ meters, which occurs on a systematic basis throughout the month. Amounts of energy delivered to customers since the date of the last meter reading are estimated at the end of each reporting period and the corresponding estimated unbilled revenue is recorded. The unbilled revenue estimate is based on daily system demand volumes, estimated customer usage by class, weather impacts, line losses and the most recent customer rates. Such process involves the use of various judgments and assumptions and significant changes in these judgments and assumptions could have a material impact on Alliant Energy’s results of operations. As of December 31, 2013, unbilled revenues related to Alliant Energy’s utility operations were $178 million ($86 million at IPL and $92 million at WPL). Note 5(a) of the “Notes to Consolidated Financial Statements” provides discussion of IPL’s unbilled revenues as of December 31, 2013 sold to a third party related to its sales of accounts receivable program.

Pensions and Other Postretirement Benefits - Alliant Energy sponsors various defined benefit pension and other postretirement benefits plans that provide benefits to a significant portion of its employees. Alliant Energy makes assumptions and judgments periodically to estimate the obligations and costs related to its retirement plans. There are many judgments and assumptions involved in determining an entity’s pension and other postretirement liabilities and costs each period including employee demographics (including age, life expectancies and compensation levels), discount rates, assumed rates of return and funding. Changes made to plan provisions may also impact current and future benefits costs. Judgments and assumptions are supported by historical data and reasonable projections and are reviewed at least annually. The following table shows the impacts of changing certain key actuarial assumptions discussed above (in millions):

<table>
<thead>
<tr>
<th>Change in Actuarial Assumption</th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% change in discount rate</td>
<td>$137</td>
<td>$9</td>
</tr>
<tr>
<td>1% change in expected rate of return</td>
<td>N/A</td>
<td>10</td>
</tr>
</tbody>
</table>
Note 12(a) of the “Notes to Consolidated Financial Statements” provides additional details of pension and other postretirement benefits plans. Note 16(c) of the “Notes to Consolidated Financial Statements” provides recent developments of the class-action lawsuit filed against the Cash Balance Plan in 2008.

**Income Taxes** - Alliant Energy is subject to income taxes in various jurisdictions. Alliant Energy makes assumptions and judgments each reporting period to estimate its income tax assets, liabilities, benefits and expenses. Judgments and assumptions are supported by historical data and reasonable projections. Significant changes in these judgments and assumptions could have a material impact on Alliant Energy’s financial condition and results of operations. Alliant Energy’s critical assumptions and judgments for 2013 include projections of qualifying repairs expenditures and allocation of mixed service costs due to the impact of Iowa rate-making principles on such property-related differences, and projections of future taxable income used to determine its ability to utilize net operating losses and credit carryforwards prior to their expiration and the states in which such future taxable income will be apportioned.

**Effect of Rate-making on Property-related Differences** - Alliant Energy’s effective income tax rates are normally impacted by certain property-related differences at IPL for which deferred tax is not recorded in the income statement pursuant to Iowa rate-making principles. Changes in methods or assumptions regarding the amount of IPL’s qualifying repairs expenditures, allocation of mixed service costs, and retirement or removal of depreciable property could result in a material impact on Alliant Energy’s financial condition and results of operations. Refer to Note 1(c) of the “Notes to Consolidated Financial Statements” for further discussion of regulatory accounting for taxes. Refer to Note 11 of the “Notes to Consolidated Financial Statements” for details of how the effect of rate-making on property-related differences impacted Alliant Energy’s effective income tax rates for 2013, 2012 and 2011. Refer to “Other Future Considerations” for further discussion of potential tax accounting method changes.

**Carryforward Utilization** - Alliant Energy has generated significant federal tax credit carryforwards and federal and state net operating loss carryforwards. Based on projections of current and future taxable income, Alliant Energy plans to utilize substantially all of these carryforwards prior to their expiration. Changes in assumptions regarding Alliant Energy’s current and future taxable income could require valuation allowances in the future resulting in a material impact on its financial condition and results of operations. Refer to Note 11 of the “Notes to Consolidated Financial Statements” for further discussion of federal tax credit carryforwards, and federal and state net operating loss carryforwards.

**Other Future Considerations** - In addition to items discussed earlier in MDA and the “Notes to Consolidated Financial Statements,” the following items could impact Alliant Energy’s future financial condition or results of operations:

**Electric Transmission Service Charges** - IPL and WPL currently receive substantially all their transmission services from ITC and ATC, respectively. The annual transmission service rates that ITC or ATC charges their customers are calculated each calendar year using a FERC-approved cost of service formula rate template referred to as Attachment “O,” which is administered by MISO. Because Attachment “O” is a FERC-approved formula rate, ITC and ATC can implement new rates each calendar year without filing a request with FERC. However, new rates are subject to challenge by either FERC or customers. If the rates proposed by ITC or ATC are determined by FERC to be unjust or unreasonable or another mechanism is determined by FERC to be just and reasonable, ITC’s or ATC’s rates would change accordingly. Due to the formula rates used by ITC and ATC to charge their customers and possible future changes to these rates as discussed below, there is uncertainty regarding the long-term trends of IPL’s and WPL’s future electric transmission service expenses.

**2014 Electric Transmission Service Expenses** -

**2014 Rates Charged by ITC to IPL** - In September 2013, ITC filed with MISO the Attachment “O” rate it proposes to charge its customers in 2014 for electric transmission services. The proposed rate was based on ITC’s net revenue requirement for 2014 as well as a true-up adjustment credit related to amounts that ITC over-recovered from its customers in 2012 and a true-up adjustment credit related to a FERC audit of ITC. The 2014 Attachment “O” rate filed with MISO is approximately 13% higher than the rate ITC charged its customers in 2013.

**2014 Rates Charged by ATC to WPL** - WPL does not expect any material changes in the 2014 Attachment “O” rate billed by ATC compared to the rate billed in 2013.
**MISO Transmission Charges Billed to IPL and WPL** - MISO tariffs billed to IPL and WPL include costs related to various shared transmission projects including multi-value projects. Multi-value projects include new large scale transmission projects that enable the reliable and economic delivery of energy in support of documented energy policy mandates or provide economic value across multiple pricing zones within MISO. Multi-value project costs are socialized across the entire MISO footprint based on energy usage of each MISO participant. MISO tariffs billed to IPL and WPL also include costs related to other shared transmission projects, including projects designed to reduce market congestion, to provide interconnection to the transmission grid for new generation, and to ensure compliance with applicable reliability standards. The costs of these projects are primarily allocated to MISO participants in a way that is commensurate with the benefit to the participants’ pricing zone. The MISO transmission charges billed to IPL and WPL are expected to increase in the future due to the increased number of shared transmission projects occurring in the MISO region.

The increase in ITC’s Attachment “O” rate and MISO transmission charges for shared transmission projects are expected to contribute to increases in future electric transmission service charges for IPL and WPL. IPL’s expected increase for 2014 is partially offset by the impact of electric transmission service expenses IPL over-collected from its Iowa retail electric customers in 2013 under its transmission cost recovery rider, which will reduce electric transmission service expenses billed to Iowa customers in 2014. As a result, Alliant Energy, IPL and WPL currently estimate their electric transmission service expenses in 2014 will be higher than the comparable expenses charged in 2013 by approximately $30 million, $20 million and $10 million, respectively. A significant portion of the increase in IPL’s electric transmission service expenses is expected to be offset with increases in electric revenues resulting from the transmission cost recovery rider. A significant portion of the increase in WPL’s electric transmission service expenses was utilized to set electric revenues approved by the PSCW in WPL’s latest retail electric base rate case.

**ITC’s Attachment “FF” Tariff** - In 2012, IPL filed a complaint with FERC regarding ITC’s Attachment “FF” tariff. ITC’s Attachment “FF” tariff determines how much of the transmission network upgrade costs incurred to interconnect an EGU to ITC’s transmission system will be incurred by the owner of such EGU. In the complaint, IPL alleged that its customers have made material incremental payments under ITC’s Attachment “FF” tariff without obtaining equal benefits, as compared to costs that would have been charged under MISO’s Attachment “FF” tariff applicable in the majority of the MISO pricing zones. In July 2013, FERC issued an order requiring MISO, on behalf of ITC, to revise ITC’s Attachment “FF” tariff to conform to the MISO Attachment “FF” tariff. In August 2013, MISO submitted a filing with these tariff revisions, which became effective as of the date of the July 2013 order. Also in August 2013, ITC filed a request for rehearing and/or clarification, and IPL filed a request for clarification. In February 2014, FERC issued an order that denied ITC’s request for rehearing, responded to the requests for clarification, accepted MISO’s tariff revisions and substantially affirmed its July 2013 order. The revised Attachment “FF” tariff is expected to reduce the amount of transmission network upgrade costs billed by ITC to IPL compared to what would have been billed under ITC’s prior Attachment “FF” tariff. Alliant Energy and IPL currently expect to pass on the Iowa retail portion of any changes in electric transmission service costs billed by ITC to IPL from the revision in ITC’s Attachment “FF” tariff to IPL’s retail electric customers in Iowa through the transmission cost recovery rider. Refer to “Strategic Overview” for further discussion of the July 2013 FERC order and IPL’s and WPL’s anticipation that ITC will self-fund the transmission network upgrades associated with Marshalltown and Bent Tree, respectively.

**FERC Order 1000** - In 2011, FERC issued Order 1000, which reforms its electric transmission planning and cost allocation requirements for public utility transmission providers. One substantial change from the order is the requirement for projects with regional cost allocation to have the federal right of first refusal removed. Incumbent public utility transmission providers no longer have a federal right of first refusal to build, own and operate large-scale transmission projects located within their service territory that have regional cost sharing. To comply with this requirement, MISO is creating a competitive bidding process for projects subject to the right of first refusal removal, which could lead to a potential decrease in the expected costs of impacted future transmission projects. Alliant Energy is currently unable to determine what impacts, if any, this order may have on its future electric transmission service charges.

**MISO Transmission Owner Return on Equity Complaint** - In November 2013, a group of MISO industrial customer organizations filed a complaint with FERC requesting to: (1) reduce the base return on equity used by MISO transmission owners, including ITC and ATC, to 9.15%; (2) institute a regulatory capital structure not to exceed 50% of common equity; and (3) eliminate certain return on equity adders. ITC’s and ATC’s current authorized return on equity is 12.38% and 12.2%, respectively. ITC’s and ATC’s current authorized regulatory capital structure for common equity is 60% and 50%, respectively. Any change to ITC’s and ATC’s return on equity and regulatory capital structure for common equity would impact the calculation of their respective Attachment “O” rates, resulting in changes to electric transmission service costs billed by ITC and ATC to their customers. Any changes in IPL’s electric transmission service costs billed by ITC to IPL are expected to be passed on to IPL’s Iowa retail electric customers through the transmission cost recovery rider. Any changes in
WPL’s electric transmission service costs will be incorporated into WPL’s retail electric rates in a future retail electric base rate proceeding with the PSCW. In addition, any change to ATC’s return on equity and regulatory capital structure for common equity could result in Alliant Energy realizing lower equity income and dividends from ATC in the future. Alliant Energy is currently unable to determine the timing and nature of any FERC actions related to this complaint and resulting changes to its financial condition and results of operations.

MISO Attachment “O” Protocols - In 2012, IPL filed comments in a FERC inquiry related to MISO’s Attachment “O” protocols. In May 2013, FERC issued an order that determined the MISO Attachment “O” protocols to be insufficient. FERC ordered MISO and the impacted transmission owners, including ITC and ATC, to make certain changes to their protocols. In September 2013, MISO transmission owners, including ITC and ATC, submitted proposed revisions to their Attachment “O” rate protocols to FERC for approval. Alliant Energy is currently unable to determine the timing of final FERC approval and what impacts the changes in protocols will have on its future electric transmission service charges.

Sales Trends - In January 2012, Eagle Point filed a Petition for Declaratory Order requesting that the IUB declare Eagle Point is not a public utility subject to the service territory laws in Iowa. Specifically, Eagle Point sought to sell directly to the City of Dubuque the power generated by a 175 kilowatt solar unit installed on the City’s property. IPL, MidAmerican, the Iowa Association of Electric Cooperatives, a coalition of solar power advocates, and the OCA actively participated in the related IUB proceeding. In April 2012, the IUB issued an order finding that Eagle Point’s proposed arrangement would make it a public utility operating in IPL’s exclusive service territory in violation of Iowa’s service territory laws. In May 2012, Eagle Point requested review of the IUB’s April 2012 order from the Polk County, Iowa District Court. In March 2013, the District Court issued a ruling that vacated the IUB’s decision, and found Eagle Point did not constitute a public utility and could enter into its proposed direct sales arrangement with the City of Dubuque. In April 2013, IPL and MidAmerican filed a joint Notice of Appeal with the Iowa Supreme Court. The IUB and the Iowa Association of Electric Cooperatives also filed Notices of Appeal with the Iowa Supreme Court, and Eagle Point submitted a Notice of Cross-Appeal. In January 2014, the Iowa Supreme Court heard oral arguments in the case. The District Court decision is currently stayed. Alliant Energy is currently unable to determine how this District Court ruling, if upheld by the Iowa Supreme Court, may impact the level of third-party solar development in IPL’s service territory and resulting impact on future demand of electricity by IPL’s customers.

Potential Tax Accounting Method Changes - Alliant Energy is currently assessing potential tax accounting method changes as a result of certain final and proposed regulations issued by the U.S. Department of the Treasury and procedures issued by the IRS. In May 2013, the IRS issued a revenue procedure identifying the units of property that can be utilized for determining repairs on electric generation assets. In September 2013, the U.S. Department of the Treasury issued both final and proposed tangible property regulations clarifying the tax treatment of costs incurred to acquire, maintain or improve tangible property and to retire and remove depreciable property. In January 2014, the IRS issued guidance containing the procedures to comply with the tangible property regulations. In addition, Alliant Energy currently anticipates the IRS will publish additional guidance clarifying regulations related to the tax treatment of repairs expenditures for gas distribution property. The outcomes of the assessment of the January 2014 guidance and additional guidance could result in Alliant Energy filing additional tax accounting method changes with the IRS. If approved by the IRS, these tax accounting method changes could materially impact Alliant Energy’s future income tax benefits and expenses due to Iowa rate-making principles, which do not recognize deferred income tax benefits and expenses for certain property-related differences at IPL.

Retirement Plan Costs - Alliant Energy’s net periodic benefit costs related to its defined benefit pension and other postretirement benefits plans are currently expected to be lower in 2014 compared to 2013 by approximately $18 million. This amount does not include the impact of $9 million of additional benefit costs related to the Cash Balance Plan in 2013. The decrease in net periodic benefit costs is primarily due to the use of higher discount rates as of December 31, 2013 and higher than expected returns on plan assets resulting in increases in retirement plan assets during 2013. Approximately 30% to 40% of net periodic benefit costs are allocated to capital projects each year. As a result, the decrease in net periodic benefit costs is not expected to result in a comparable decrease in other operation and maintenance expenses. Refer to Note 12(a) of the “Notes to Consolidated Financial Statements” for additional details of defined benefit pension and other postretirement benefits plans.
Performance-based Compensation Plans - Alliant Energy’s total compensation package includes a performance-based compensation program, which provides substantially all of its non-bargaining employees an opportunity to receive annual cash payments based on the achievement of specific short-term annual operational and financial performance measures. In 2013, Alliant Energy, IPL and WPL incurred $41 million, $23 million and $17 million, respectively, of performance-based compensation expense. The current operational performance measures for 2014 relate to diversity, safety, customer satisfaction, service reliability and the availability of certain EGUs. The current financial performance measures for 2014 relate to earnings per share from continuing operations and cash flows from operations generated by IPL, WPL and Corporate Services, as adjusted pursuant to the terms of the OIP. In addition, the total compensation program for certain key employees includes long-term awards issued under equity-based compensation plans. Refer to Note 12(b) of the “Notes to Consolidated Financial Statements” for details of the equity-based compensation plans. Alliant Energy is currently unable to determine what impacts these performance-based compensation plans will have on its future financial condition or results of operations.

System Support Resource - In 2013, MISO designated another utility’s EGU located in a local resource zone for which ATC provides transmission services as an SSR. In January 2014, MISO filed an SSR agreement with the owner of the designated EGU, which established an annual revenue requirement of approximately $52 million, effective February 1, 2014. The revenue requirement has been requested to be allocated among ATC’s customers located in the local resource zone, including WPL. If approved by FERC, WPL’s estimated share of this annual revenue requirement is expected to be approximately $10 million. Although MISO’s tariff only allows SSR agreements with a term of one year, Alliant Energy currently expects that the SSR agreement and revenue requirement for this EGU could be extended for several years until transmission facilities are constructed to eliminate the need for this EGU. Alliant Energy currently expects WPL to defer any SSR costs incurred through December 31, 2015 pursuant to an April 2013 PSCW order.
MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Alliant Energy Corporation and subsidiaries (Alliant Energy) is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Alliant Energy’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of the inherent limitations of internal control over financial reporting, misstatements may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Alliant Energy’s management assessed the effectiveness of Alliant Energy’s internal control over financial reporting as of December 31, 2013 using the criteria set forth in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, Alliant Energy’s management concluded that, as of December 31, 2013, Alliant Energy’s internal control over financial reporting was effective.

Deloitte & Touche LLP, Alliant Energy’s independent registered public accounting firm, has audited Alliant Energy’s internal control over financial reporting. That report is set forth immediately prior to the report of Deloitte & Touche LLP on the financial statements included herein.

Patricia L. Kampling
Chairman, President and Chief Executive Officer

Thomas L. Hanson
Senior Vice President and Chief Financial Officer

Robert J. Durian
Controller and Chief Accounting Officer

February 25, 2014
To the Board of Directors and Shareowners of
Alliant Energy Corporation
Madison, Wisconsin

We have audited the internal control over financial reporting of Alliant Energy Corporation and subsidiaries (the “Company”) as of December 31, 2013, based on the criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Company and our report dated February 25, 2014 expressed an unqualified opinion on those financial statements.

Deloitte & Touche LLP
Milwaukee, Wisconsin
February 25, 2014
To the Board of Directors and Shareowners of
Alliant Energy Corporation
Madison, Wisconsin

We have audited the accompanying consolidated balance sheets of Alliant Energy Corporation and subsidiaries (the “Company”) as of December 31, 2013 and 2012, and the related consolidated statements of income, common equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control-Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2014 expressed an unqualified opinion on the Company’s internal control over financial reporting.

DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin
February 25, 2014
CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31, 2013 2012 2011

(in millions, except per share amounts)

Operating revenues:

Utility:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>$2,689.0</td>
<td>$2,589.3</td>
<td>$2,635.8</td>
</tr>
<tr>
<td>Gas</td>
<td>464.8</td>
<td>396.3</td>
<td>476.7</td>
</tr>
<tr>
<td>Other</td>
<td>71.3</td>
<td>56.7</td>
<td>62.0</td>
</tr>
<tr>
<td>Non-regulated</td>
<td>51.7</td>
<td>52.2</td>
<td>46.9</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>3,276.8</td>
<td>3,094.5</td>
<td>3,221.4</td>
</tr>
</tbody>
</table>

Operating expenses:

Utility:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric production fuel and energy purchases</td>
<td>725.0</td>
<td>712.3</td>
<td>764.5</td>
</tr>
<tr>
<td>Purchased electric capacity</td>
<td>216.8</td>
<td>271.5</td>
<td>257.2</td>
</tr>
<tr>
<td>Electric transmission service</td>
<td>418.3</td>
<td>341.3</td>
<td>323.8</td>
</tr>
<tr>
<td>Cost of gas sold</td>
<td>276.7</td>
<td>217.2</td>
<td>295.2</td>
</tr>
<tr>
<td>Other operation and maintenance</td>
<td>620.7</td>
<td>590.0</td>
<td>630.2</td>
</tr>
<tr>
<td>Non-regulated operation and maintenance</td>
<td>14.9</td>
<td>11.9</td>
<td>18.0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>370.9</td>
<td>332.4</td>
<td>321.0</td>
</tr>
<tr>
<td>Taxes other than income taxes</td>
<td>99.6</td>
<td>98.2</td>
<td>98.2</td>
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<tr>
<td>Total operating expenses</td>
<td>2,742.9</td>
<td>2,574.8</td>
<td>2,708.1</td>
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Operating income 533.9 519.7 513.3

Interest expense and other:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td>Interest expense</td>
<td>172.8</td>
<td>156.7</td>
<td>158.3</td>
</tr>
<tr>
<td>Equity income from unconsolidated investments, net</td>
<td>(43.7)</td>
<td>(41.3)</td>
<td>(39.3)</td>
</tr>
<tr>
<td>Allowance for funds used during construction</td>
<td>(30.8)</td>
<td>(21.9)</td>
<td>(12.0)</td>
</tr>
<tr>
<td>Interest income and other</td>
<td>(0.4)</td>
<td>(4.0)</td>
<td>(4.3)</td>
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<tr>
<td>Total interest expense and other</td>
<td>97.9</td>
<td>89.5</td>
<td>102.7</td>
</tr>
</tbody>
</table>

Income from continuing operations before income taxes 436.0 430.2 410.6

Income taxes 53.9 89.4 69.2

Income from continuing operations, net of tax 382.1 340.8 341.4

Loss from discontinued operations, net of tax (5.9) (5.1) (19.5)

Net income 376.2 335.7 321.9

Preferred dividend requirements of subsidiaries 17.9 15.9 18.3

Net income attributable to Alliant Energy common shareowners $358.3 $319.8 $303.6

Weighted average number of common shares outstanding (basic and diluted) 110.8 110.8 110.7

Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations, net of tax</td>
<td>$3.29</td>
<td>$2.93</td>
<td>$2.92</td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td>(0.06)</td>
<td>(0.04)</td>
<td>(0.18)</td>
</tr>
<tr>
<td>Net income</td>
<td>$3.23</td>
<td>$2.89</td>
<td>$2.74</td>
</tr>
</tbody>
</table>

Amounts attributable to Alliant Energy common shareowners:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations, net of tax</td>
<td>$364.2</td>
<td>$324.9</td>
<td>$323.1</td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td>(5.9)</td>
<td>(5.1)</td>
<td>(19.5)</td>
</tr>
<tr>
<td>Net income attributable to Alliant Energy common shareowners</td>
<td>$358.3</td>
<td>$319.8</td>
<td>$303.6</td>
</tr>
</tbody>
</table>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
## ASSETS

### Property, plant and equipment:

#### Utility:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric plant</td>
<td>$9,415.7</td>
<td>$9,070.7</td>
</tr>
<tr>
<td>Gas plant</td>
<td>909.9</td>
<td>878.4</td>
</tr>
<tr>
<td>Other plant</td>
<td>547.9</td>
<td>506.2</td>
</tr>
<tr>
<td>Accumulated depreciation (accum. depr.)</td>
<td>(3,726.2)</td>
<td>(3,513.0)</td>
</tr>
<tr>
<td><strong>Net plant</strong></td>
<td><strong>7,147.3</strong></td>
<td><strong>6,942.3</strong></td>
</tr>
<tr>
<td>Construction work in progress:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbia Energy Center Units 1 and 2 emission controls (WPL)</td>
<td>265.0</td>
<td>130.4</td>
</tr>
<tr>
<td>Ottumwa Generating Station Unit 1 emission controls (IPL)</td>
<td>135.1</td>
<td>73.7</td>
</tr>
<tr>
<td>George Neal Generating Station Unit 3 emission controls (IPL)</td>
<td>54.6</td>
<td>26.5</td>
</tr>
<tr>
<td>Other</td>
<td>223.2</td>
<td>188.2</td>
</tr>
<tr>
<td>Other, less accum. depr. of $5.6 for both periods</td>
<td>22.3</td>
<td>21.2</td>
</tr>
<tr>
<td><strong>Total utility</strong></td>
<td><strong>7,847.5</strong></td>
<td><strong>7,382.3</strong></td>
</tr>
</tbody>
</table>

#### Non-regulated and other:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-regulated Generation, less accum. depr. of $40.0 and $31.0</td>
<td>249.4</td>
<td>258.6</td>
</tr>
<tr>
<td>Alliant Energy Corporate Services, Inc. and other, less accum. depr. of $214.2 and $200.2</td>
<td>229.6</td>
<td>197.1</td>
</tr>
<tr>
<td><strong>Total non-regulated and other</strong></td>
<td><strong>479.0</strong></td>
<td><strong>455.7</strong></td>
</tr>
</tbody>
</table>

**Total property, plant and equipment**

|                  | **8,326.5** | **7,838.0** |

### Current assets:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>9.8</td>
<td>21.2</td>
</tr>
<tr>
<td>Accounts receivable, less allowance for doubtful accounts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td>81.8</td>
<td>94.9</td>
</tr>
<tr>
<td>Unbilled utility revenues</td>
<td>92.3</td>
<td>81.4</td>
</tr>
<tr>
<td>Other</td>
<td>299.2</td>
<td>209.4</td>
</tr>
<tr>
<td>Production fuel, at weighted average cost</td>
<td>103.6</td>
<td>103.1</td>
</tr>
<tr>
<td>Materials and supplies, at weighted average cost</td>
<td>69.6</td>
<td>63.1</td>
</tr>
<tr>
<td>Gas stored underground, at weighted average cost</td>
<td>38.6</td>
<td>37.7</td>
</tr>
<tr>
<td>Regulatory assets</td>
<td>53.9</td>
<td>83.5</td>
</tr>
<tr>
<td>Prepaid gross receipts tax</td>
<td>40.8</td>
<td>40.4</td>
</tr>
<tr>
<td>Deferred income tax assets</td>
<td>136.7</td>
<td>170.2</td>
</tr>
<tr>
<td>Other</td>
<td>84.9</td>
<td>89.4</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>1,011.2</strong></td>
<td><strong>994.3</strong></td>
</tr>
</tbody>
</table>

### Investments:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in American Transmission Company LLC</td>
<td>272.1</td>
<td>257.0</td>
</tr>
<tr>
<td>Other</td>
<td>57.5</td>
<td>62.0</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>329.6</strong></td>
<td><strong>319.0</strong></td>
</tr>
</tbody>
</table>

### Other assets:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory assets</td>
<td>1,359.3</td>
<td>1,528.9</td>
</tr>
<tr>
<td>Deferred charges and other</td>
<td>85.8</td>
<td>105.3</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td><strong>1,445.1</strong></td>
<td><strong>1,634.2</strong></td>
</tr>
</tbody>
</table>

**Total assets**

|                  | **$11,112.4** | **$10,785.5** |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
### CAPITALIZATION AND LIABILITIES

#### Capitalization:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliant Energy Corporation common equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock - $0.01 par value - 240,000,000 shares authorized; 110,943,669 and 110,987,400 shares outstanding</td>
<td>$1.1</td>
<td>$1.1</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>1,507.8</td>
<td>1,511.2</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,780.7</td>
<td>1,630.7</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(0.2)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Shares in deferred compensation trust - 227,469 and 216,030 shares at a weighted average cost of $35.25 and $33.61 per share</td>
<td>(8.0)</td>
<td>(7.3)</td>
</tr>
<tr>
<td>Total Alliant Energy Corporation common equity</td>
<td>3,281.4</td>
<td>3,134.9</td>
</tr>
<tr>
<td>Cumulative preferred stock of Interstate Power and Light Company</td>
<td>200.0</td>
<td>145.1</td>
</tr>
<tr>
<td>Noncontrolling interest</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Total equity</td>
<td>3,483.2</td>
<td>3,281.8</td>
</tr>
<tr>
<td>Cumulative preferred stock of Wisconsin Power and Light Company</td>
<td>—</td>
<td>60.0</td>
</tr>
<tr>
<td>Long-term debt, net (excluding current portion)</td>
<td>2,977.8</td>
<td>3,136.6</td>
</tr>
<tr>
<td>Total capitalization</td>
<td>6,461.0</td>
<td>6,478.4</td>
</tr>
</tbody>
</table>

#### Current liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current maturities of long-term debt</td>
<td>358.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>279.4</td>
<td>217.5</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>365.0</td>
<td>339.3</td>
</tr>
<tr>
<td>Regulatory liabilities</td>
<td>196.6</td>
<td>189.7</td>
</tr>
<tr>
<td>Accrued taxes</td>
<td>50.0</td>
<td>48.0</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>50.7</td>
<td>48.0</td>
</tr>
<tr>
<td>Other</td>
<td>133.1</td>
<td>176.0</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>1,433.3</td>
<td>1,020.0</td>
</tr>
</tbody>
</table>

#### Other long-term liabilities and deferred credits:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred income tax liabilities</td>
<td>2,112.7</td>
<td>1,934.2</td>
</tr>
<tr>
<td>Regulatory liabilities</td>
<td>624.9</td>
<td>726.4</td>
</tr>
<tr>
<td>Pension and other benefit obligations</td>
<td>206.6</td>
<td>364.0</td>
</tr>
<tr>
<td>Other</td>
<td>273.9</td>
<td>262.5</td>
</tr>
<tr>
<td>Total long-term liabilities and deferred credits</td>
<td>3,218.1</td>
<td>3,287.1</td>
</tr>
</tbody>
</table>

#### Commitments and contingencies (Note 16)

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capitalization and liabilities</td>
<td>$11,112.4</td>
<td>$10,785.5</td>
</tr>
</tbody>
</table>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31, 2013 2012 2011
(in millions)

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$376.2</td>
<td>$335.7</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>370.9</td>
<td>332.9</td>
</tr>
<tr>
<td>Other amortizations</td>
<td>40.2</td>
<td>55.0</td>
</tr>
<tr>
<td>Deferred taxes and investment tax credits</td>
<td>108.3</td>
<td>143.3</td>
</tr>
<tr>
<td>Equity income from unconsolidated investments, net</td>
<td>(43.7)</td>
<td>(41.3)</td>
</tr>
<tr>
<td>Distributions from equity method investments</td>
<td>35.4</td>
<td>34.2</td>
</tr>
<tr>
<td>Equity component of allowance for funds used during construction</td>
<td>(20.3)</td>
<td>(14.1)</td>
</tr>
<tr>
<td>Non-cash valuation charges and other</td>
<td>(3.7)</td>
<td>0.7</td>
</tr>
<tr>
<td>Other changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(49.2)</td>
<td>61.3</td>
</tr>
<tr>
<td>Sales of accounts receivable</td>
<td>(101.0)</td>
<td>(10.0)</td>
</tr>
<tr>
<td>Regulatory assets</td>
<td>140.5</td>
<td>(178.1)</td>
</tr>
<tr>
<td>Regulatory liabilities</td>
<td>(90.8)</td>
<td>16.4</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>101.9</td>
<td>69.7</td>
</tr>
<tr>
<td>Pension and other benefit obligations</td>
<td>(157.4)</td>
<td>51.3</td>
</tr>
<tr>
<td>Other</td>
<td>23.7</td>
<td>(15.9)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>731.0</td>
<td>841.1</td>
</tr>
<tr>
<td>Cash flows used for investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction and acquisition expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility business - purchase of Riverside Energy Center</td>
<td>—</td>
<td>(403.5)</td>
</tr>
<tr>
<td>Utility business - other</td>
<td>(731.6)</td>
<td>(622.0)</td>
</tr>
<tr>
<td>Alliant Energy Corporate Services, Inc. and non-regulated businesses</td>
<td>(66.7)</td>
<td>(132.6)</td>
</tr>
<tr>
<td>Proceeds from Franklin County wind project cash grant</td>
<td>62.4</td>
<td>—</td>
</tr>
<tr>
<td>Collections of advances for customer energy efficiency projects</td>
<td>16.6</td>
<td>22.9</td>
</tr>
<tr>
<td>Other</td>
<td>(35.4)</td>
<td>(20.3)</td>
</tr>
<tr>
<td>Net cash flows used for investing activities</td>
<td>(754.7)</td>
<td>(1,155.5)</td>
</tr>
<tr>
<td>Cash flows from (used for) financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock dividends</td>
<td>(208.3)</td>
<td>(199.3)</td>
</tr>
<tr>
<td>Preferred dividends paid by subsidiaries</td>
<td>(11.4)</td>
<td>(15.9)</td>
</tr>
<tr>
<td>Payments to redeem cumulative preferred stock of IPL and WPL</td>
<td>(211.0)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from issuance of cumulative preferred stock of IPL</td>
<td>200.0</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from issuance of long-term debt</td>
<td>250.0</td>
<td>385.0</td>
</tr>
<tr>
<td>Net change in commercial paper</td>
<td>11.9</td>
<td>164.7</td>
</tr>
<tr>
<td>Other</td>
<td>(18.9)</td>
<td>(10.3)</td>
</tr>
<tr>
<td>Net cash flows from (used for) financing activities</td>
<td>12.3</td>
<td>324.2</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(11.4)</td>
<td>9.8</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>21.2</td>
<td>11.4</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>$9.8</td>
<td>$21.2</td>
</tr>
</tbody>
</table>

Supplemental cash flows information:

Cash paid (refunded) during the period for:
- Interest, net of capitalized interest: $171.7, $155.2, $157.6
- Income taxes, net of refunds: $(9.6), $(20.3), $(10.8)
- Significant non-cash investing and financing activities:
  - Accrued capital expenditures: $103.8, $105.3, $49.7

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
## CONSOLIDATED STATEMENTS OF COMMON EQUITY

<table>
<thead>
<tr>
<th></th>
<th>Common Stock</th>
<th>Additional Paid-In Capital</th>
<th>Retained Earnings</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Shares in Deferred Compensation Trust</th>
<th>Total Alliant Energy Common Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning balance</td>
<td>$1.1</td>
<td>$1,506.8</td>
<td>$1,394.7</td>
<td>($1.4)</td>
<td>($7.6)</td>
<td>$2,893.6</td>
</tr>
<tr>
<td>Net income attributable to Alliant Energy common shareowners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>303.6</td>
</tr>
<tr>
<td>Common stock dividends ($1.70 per share)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(188.1)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.0</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td>Ending balance</td>
<td>1.1</td>
<td>1,510.8</td>
<td>1,510.2</td>
<td>(0.8)</td>
<td>(8.3)</td>
<td>3,013.0</td>
</tr>
<tr>
<td>2012:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income attributable to Alliant Energy common shareowners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>319.8</td>
</tr>
<tr>
<td>Common stock dividends ($1.80 per share)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(199.3)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.4</td>
</tr>
<tr>
<td>Ending balance</td>
<td>1.1</td>
<td>1,511.2</td>
<td>1,630.7</td>
<td>(0.8)</td>
<td>(7.3)</td>
<td>3,134.9</td>
</tr>
<tr>
<td>2013:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income attributable to Alliant Energy common shareowners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>358.3</td>
</tr>
<tr>
<td>Common stock dividends ($1.88 per share)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(208.3)</td>
</tr>
<tr>
<td>Preferred stock issuance costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(5.4)</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.0</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$1.1</td>
<td>$1,507.8</td>
<td>$1,780.7</td>
<td>($0.2)</td>
<td>($8.0)</td>
<td>$3,281.4</td>
</tr>
</tbody>
</table>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(a) General -

Description of Business - Alliant Energy’s consolidated financial statements include the accounts of Alliant Energy and its consolidated subsidiaries. Alliant Energy is an investor-owned public utility holding company, whose primary wholly-owned subsidiaries are IPL, WPL, Resources and Corporate Services.

IPL is a direct subsidiary of Alliant Energy and is engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas. IPL is also engaged in the generation and distribution of steam for two customers in Cedar Rapids, Iowa. IPL’s service territories are located in Iowa and southern Minnesota. Refer to Note 3(a) for discussion of IPL’s proposed sales of its Minnesota electric and natural gas distribution assets.

WPL is a direct subsidiary of Alliant Energy and is engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas. WPL’s service territories are located in southern and central Wisconsin.

Resources is comprised of Transportation, Non-regulated Generation and other non-regulated investments. Transportation includes a short-line railway that provides freight service between Cedar Rapids, Iowa and Iowa City, Iowa; barge terminal and hauling services on the Mississippi River; and other transfer and storage services. Non-regulated Generation owns Sheboygan Falls, a 347 MW, simple-cycle, natural gas-fired EGU near Sheboygan Falls, Wisconsin, which is leased to WPL for an initial period of 20 years ending in 2025. In addition, Non-regulated Generation owns the non-regulated 99 MW Franklin County wind project located in Franklin County, Iowa. Refer to Note 19 for discussion of the IEA business and RMT’s environmental consulting and engineering services business unit, which were both sold in 2011, and the remaining portion of Alliant Energy’s RMT business, which was sold in 2013.

Corporate Services is the subsidiary formed to provide administrative services to Alliant Energy and its subsidiaries.

Basis of Presentation - The consolidated financial statements reflect investments in controlled subsidiaries on a consolidated basis and Alliant Energy’s proportionate shares of jointly-owned utility EGUs. Unconsolidated investments, which Alliant Energy does not control, but does have the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method of accounting. Investments that do not meet the criteria for consolidation or the equity method of accounting are accounted for under the cost method. Alliant Energy did not reflect any VIEs on a consolidated basis in the consolidated financial statements. Refer to Notes 1(n) and 6(a) for further discussion of VIEs and equity method investments, respectively.

All intercompany balances and transactions, other than certain transactions affecting the rate-making process at IPL and WPL, have been eliminated from the consolidated financial statements. Such transactions not eliminated include costs that are recoverable from customers through rate-making processes. The consolidated financial statements are prepared in conformity with GAAP, which give recognition to the rate-making and accounting practices of FERC and state commissions having regulatory jurisdiction. Certain prior period amounts in the Consolidated Financial Statements and Notes to Consolidated Financial Statements have been reclassified to conform to the current period presentation for comparative purposes. Unless otherwise noted, the notes herein exclude discontinued operations and assets and liabilities held for sale for all periods presented.

Use of Estimates - The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect: (a) the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements; and (b) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Regulatory Assets and Regulatory Liabilities - Alliant Energy, IPL and WPL are subject to regulation by FERC and various state regulatory commissions. As a result, Alliant Energy, IPL and WPL are subject to GAAP provisions for regulated operations, which provide that rate-regulated public utilities record certain costs and credits allowed in the rate-making process in different periods than for non-regulated entities. Regulatory assets generally represent incurred costs that have been deferred as they are probable of recovery in future customer rates. Regulatory liabilities generally represent obligations to make refunds to customers and amounts collected in rates for which the related costs have not yet been incurred. Amounts deferred as regulatory assets or accrued as regulatory liabilities are generally recognized in the Consolidated Statements of Income at the time they are reflected in rates. Refer to Note 2 for additional discussion of regulatory assets and regulatory liabilities.
(c) Income Taxes - Alliant Energy follows the liability method of accounting for deferred income taxes, which requires the establishment of deferred income tax assets and liabilities, as appropriate, for temporary differences between the tax basis of assets and liabilities and the amounts reported in the consolidated financial statements. Deferred income taxes are recorded using currently enacted tax rates and estimates of state apportionment rates. Changes in deferred income tax assets and liabilities associated with certain property-related differences at IPL are accounted for differently than other subsidiaries of Alliant Energy due to rate-making practices in Iowa. Rate-making practices in Iowa do not include the impact of certain deferred tax expenses (benefits) in the determination of retail rates. Based on these rate-making practices, deferred tax expense (benefit) related to these property-related differences at IPL is not recorded in the income statement but instead charged to regulatory assets or regulatory liabilities until these temporary differences reverse. Refer to Note 2 for further discussion of regulatory assets and regulatory liabilities associated with property-related differences at IPL. In Wisconsin, the PSCW has allowed rate recovery of deferred taxes on all temporary differences since 1991.

Alliant Energy recognizes positions taken, or expected to be taken, in income tax returns that are more-likely-than-not to be realized, assuming that the position will be examined by tax authorities with full knowledge of all relevant information. If it is more-likely-than-not that a tax position, or some portion thereof, will not be sustained, the related tax benefits are not recognized in the consolidated financial statements. Uncertain tax positions may result in an increase in income taxes payable, a reduction of income tax refunds receivable or changes in deferred income taxes. Also, when uncertainty about the deductibility of an amount is limited to the timing of such deductibility, the increase in taxes payable (or reduction in tax refunds receivable) is accompanied by offsetting changes in deferred income taxes. Generally Alliant Energy recognizes current taxes payable related to uncertain tax positions in “Accrued taxes” and non-current taxes payable related to uncertain tax positions in “Other long-term liabilities and deferred credits” on the Consolidated Balance Sheets. However, if the uncertain tax position would be settled through the reduction of a net operating loss rather than through the payment of cash, the uncertain tax position is reflected in deferred income taxes on the Consolidated Balance Sheets. Refer to Note 11 for further discussion of uncertain tax positions.

Alliant Energy defers investment tax credits and amortizes the credits to income over the average lives of the related property. Other tax credits reduce income tax expense in the year claimed.

Alliant Energy has elected the alternative transition method to calculate its beginning pool of excess tax benefits available to absorb any tax deficiencies associated with recognition of share-based payment awards.

Alliant Energy files a consolidated federal income tax return, which includes the aggregate taxable income or loss of Alliant Energy and its subsidiaries. In addition, a combined return including Alliant Energy and all of its subsidiaries is filed in Wisconsin. Alliant Energy subsidiaries with a presence in Iowa file as part of a consolidated return in Iowa. Under the terms of a tax sharing agreement between Alliant Energy and its subsidiaries, the subsidiaries calculate state income tax using consolidated apportionment rates applied to separate company taxable income.

(d) Cash and Cash Equivalents - Cash and cash equivalents include short-term liquid investments that have original maturities of less than 90 days.

(e) Property, Plant and Equipment -
Utility -

General - Utility plant is recorded at the original cost of acquisition or construction, which includes material, labor, contractor services, AFUDC and allocable overheads, such as supervision, engineering, benefits, certain taxes and transportation. Repairs, replacements and renewals of items of property determined to be less than a unit of property or that do not increase the property’s life or functionality are charged to maintenance expense. Ordinary retirements of utility plant and salvage value are netted and charged to accumulated depreciation upon removal from utility plant accounts and no gain or loss is recognized consistent with rate-making policies. Removal costs incurred reduce the regulatory liability. Property, plant and equipment that is probable of being retired early is classified as plant anticipated to be retired early.

Depreciation - IPL and WPL use a combination of remaining life and straight-line depreciation methods as approved by their respective regulatory commissions. The composite or group method of depreciation is used, in which a single depreciation rate is applied to the gross investment in a particular class of property. This method pools similar assets and then depreciates each group as a whole. Periodic depreciation studies are performed to determine the appropriate group lives, net salvage, estimated cost of removal and group depreciation rates. These depreciation studies are subject to review and approval by IPL’s and WPL’s respective regulatory commissions. Depreciation expense is included within the recoverable cost of service
component of rates charged to customers. The average rates of depreciation for electric, gas and other properties, consistent with current rate-making practices, were as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Electric - generation</td>
<td>3.6%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Electric - distribution</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Gas</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Other</td>
<td>4.4%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

(a) In 2012, the PSCW issued an order approving the implementation of updated depreciation rates for WPL effective January 1, 2013 as a result of a recently completed depreciation study. In 2013, the PSCW and FERC issued orders approving WPL’s requests to revise depreciation rates associated with the acquisition of Riverside effective January 1, 2013.

AFUDC - AFUDC represents costs to finance construction additions including a return on equity component and cost of debt component as required by regulatory accounting. AFUDC for IPL’s construction projects is calculated in accordance with FERC guidelines. AFUDC for WPL’s retail and wholesale jurisdiction construction projects is calculated in accordance with PSCW and FERC guidelines, respectively. The AFUDC recovery rates, computed in accordance with the prescribed regulatory formula, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL (FERC formula)</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.5%</td>
</tr>
<tr>
<td>WPL (PSCW formula - retail jurisdiction) (a)</td>
<td>8.2%</td>
<td>8.8%</td>
<td>8.8%</td>
</tr>
<tr>
<td>WPL (FERC formula - wholesale jurisdiction)</td>
<td>4.5%</td>
<td>7.9%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

(a) Consistent with the PSCW’s retail rate case order issued in 2009, WPL accrued AFUDC on 100% of CWIP related to the Edgewater Unit 5 SCR emission controls project and the Columbia Units 1 and 2 scrubber and baghouse emission controls project in 2012 and 2011. Consistent with the PSCW’s retail rate case order issued in 2012, WPL earned a return on 50% of the estimated CWIP related to its Columbia Units 1 and 2 scrubber and baghouse emission controls project for 2013 and accrued AFUDC on the remaining 50% in 2013.

Non-regulated and Other -

General - Non-regulated and other property, plant and equipment is recorded at the original cost of acquisition or construction, which includes material, labor and contractor services. Repairs, replacements and renewals of items of property determined to be less than a unit of property or that do not increase the property’s life or functionality are charged to maintenance expense. Upon retirement or sale of non-regulated and other property, plant and equipment, the original cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in the Consolidated Statements of Income.

(f) Operating Revenues -

Utility - Revenues from Alliant Energy’s utility business are primarily from electricity and natural gas sales and are recognized on an accrual basis as services are rendered or commodities are delivered to customers. Energy sales to individual customers are based on the reading of customers’ meters, which occurs on a systematic basis throughout each reporting period. Amounts of energy delivered to customers since the date of the last meter reading are estimated at the end of each reporting period and the corresponding estimated unbilled revenue is recorded in such reporting period. The unbilled revenue estimate is based on daily system demand volumes, estimated customer usage by class, weather impacts, line losses and the most recent customer rates.

IPL and WPL accrue revenues from their wholesale customers to the extent that the actual net revenue requirements calculated in accordance with FERC-approved formula rates for the reporting period are higher or lower than the amounts billed to wholesale customers during such period. In accordance with authoritative guidance, regulatory assets or regulatory liabilities are recorded as the offset for these accrued revenues under formulaic rate-making programs. IPL’s estimated recovery amount is recorded in the current period of service and is reflected in customer bills within two years under the provisions of approved formula rates. WPL’s estimated recovery amount is recorded in the current period of service and subject to final adjustments after a customer audit period in the subsequent year. Final settled recovery amounts are reflected in WPL’s customer bills within two years under the provisions of approved formula rates.
IPL and WPL participate in bid/offer-based wholesale energy and ancillary services markets operated by MISO. IPL’s and WPL’s customers and generating resources are located in the MISO region. MISO requires that all load serving entities and generation owners, including IPL and WPL, submit hourly day-ahead and/or real-time bids and offers for energy and ancillary services. The MISO day-ahead and real-time transactions are grouped together, resulting in a net supply to or net purchase from MISO for each hour of each day. The net supply to MISO is recorded in “Electric utility operating revenues” and the net purchase from MISO is recorded in “Electric production fuel and energy purchases” in the Consolidated Statements of Income. IPL and WPL also engage in transactions in PJM’s bid/offer-based wholesale energy market, which are accounted for similar to the MISO transactions.

**Non-regulated** - Revenues from Alliant Energy’s non-regulated businesses are primarily from its Transportation business and are recognized on an accrual basis as services are rendered or goods are delivered to customers.

**Taxes Collected from Customers** - Certain of Alliant Energy’s subsidiaries serve as collection agents for sales or various other taxes and record revenues on a net basis. Operating revenues do not include the collection of the aforementioned taxes.

**(g) Utility Cost Recovery Mechanisms**

**Electric Production Fuel and Energy Purchases (Fuel-related Costs)** - Alliant Energy, IPL and WPL incur fuel-related costs each period to generate and purchase electricity to meet the demand of their electric customers. These fuel-related costs include the cost of fossil fuels (primarily coal and natural gas) used during each period to produce electricity at their EGUs, electricity purchased each period from wholesale energy markets (primarily MISO) and under PPAs, costs for allowances acquired to allow certain emissions (primarily SO2 and NOx) from their EGUs and costs for chemicals utilized to control emissions from their EGUs. These fuel-related costs are recorded in “Electric production fuel and energy purchases” in the Consolidated Statements of Income.

**IPL Retail** - The cost recovery mechanisms applicable for IPL’s retail electric customers provide for subsequent adjustments to their electric rates for changes in fuel-related costs. Fuel adjustment clause rules applicable to IPL’s Iowa retail jurisdiction also currently allow IPL to recover prudently incurred costs for emission allowances required to comply with EPA regulations including the Acid Rain program and CAIR through the fuel adjustment clause. Changes in the under-/over-collection of these costs each period are recognized in “Electric production fuel and energy purchases” in the Consolidated Statements of Income. The cumulative effects of the under-/over-collection of these costs are recorded in current “Regulatory assets” or current “Regulatory liabilities” on the Consolidated Balance Sheets until they are reflected in future billings to customers. The fuel adjustment clause rules applicable to IPL’s Iowa retail jurisdiction currently do not contain a provision for recovery of emission controls chemical costs to flow through the fuel adjustment clause. The fuel adjustment clause rules applicable to IPL’s Minnesota retail jurisdiction currently do not contain a provision for recovery of emission allowance costs or emission controls chemical costs through the fuel adjustment clause.

Effective February 22, 2014, IPL will recover the Iowa retail portion of the DAEC PPA costs from its Iowa retail electric customers through the fuel adjustment clause pursuant to a January 2013 IUB order. This PPA does not contain minimum payments for electric generating capacity.

**WPL Retail** - The cost recovery mechanisms applicable for WPL’s retail electric customers are based on forecasts of certain fuel-related costs expected to be incurred during forward-looking test year periods and fuel monitoring ranges determined by the PSCW during each electric retail rate proceeding or in a separate fuel cost plan approval proceeding. However, if WPL’s actual fuel-related costs fall outside these fuel monitoring ranges during the test period, WPL is authorized to defer the incremental under-/over-collection of fuel-related costs that are outside the approved ranges. Deferral of under-collections are reduced to the extent actual return on common equity earned by WPL during the fuel cost plan year exceeds the most recently authorized return on common equity. Deferred amounts for fuel-related costs outside the approved fuel monitoring ranges are recognized in “Electric production fuel and energy purchases” in the Consolidated Statements of Income each period. The cumulative effects of these deferred amounts are recorded in current “Regulatory assets” or current “Regulatory liabilities” on the Consolidated Balance Sheets until they are reflected in future billings to customers. Effective January 2012, WPL’s retail fuel-related costs include costs for emission allowances and emission controls chemicals. Prior to 2012, WPL’s retail fuel-related costs excluded costs for emission allowances and emission controls chemicals.

**IPL and WPL Wholesale** - The cost recovery mechanisms applicable for IPL’s and WPL’s wholesale electric customers provide for subsequent adjustments to their electric rates for changes in fuel-related costs. Changes in the under-/over-collection of these costs are recognized in “Electric production fuel and energy purchases” in the Consolidated Statements of Income each period. The cumulative effects of the under-/over-collection of these costs are recorded in current “Regulatory assets” or current “Regulatory liabilities” on the Consolidated Balance Sheets until they are reflected in future billings to
customers. IPL’s and WPL’s costs for emission allowances and emission controls chemicals are recovered through the capacity charge component of their respective wholesale formula rates.

**Purchased Electric Capacity** - Alliant Energy, IPL and WPL enter into PPAs to help meet the electricity demand of their customers. Certain of these PPAs include minimum payments for IPL’s and WPL’s rights to electric generating capacity, which are charged each period to “Purchased electric capacity” in the Consolidated Statements of Income. Purchased electric capacity expenses are recovered from IPL’s and WPL’s retail electric customers through changes in base rates determined during periodic rate proceedings. Purchased electric capacity expenses are recovered from IPL’s and WPL’s wholesale electric customers through annual changes in base rates determined by a formula rate structure.

**Electric Transmission Service** - Alliant Energy, IPL and WPL incur costs for the transmission of electricity to their customers and charge these costs each period to “Electric transmission service” in the Consolidated Statements of Income.

**IPL Retail** - Electric transmission service expenses are recovered from IPL’s Iowa retail electric customers through a transmission cost rider. This cost recovery mechanism provides for subsequent adjustments to electric rates charged to Iowa electric retail customers for changes in electric transmission service expenses. Changes in the under-/over-collection of these costs are recognized in “Electric transmission service” in the Consolidated Statements of Income each period. The cumulative effects of the under-/over-collection of these costs are recorded in current “Regulatory assets” or current “Regulatory liabilities” on the Consolidated Balance Sheets until they are reflected in future billings to customers. The transmission cost rider will remain in effect until the IUB’s final decision in IPL’s next retail electric base rate case, at which time the rider will continue in its current form, continue in a modified form or be terminated.

**WPL Retail** - Electric transmission service expenses are recovered from WPL’s retail electric customers through changes in base rates determined during periodic rate proceedings.

**IPL and WPL Wholesale** - Electric transmission service expenses are recovered from IPL’s and WPL’s wholesale electric customers through annual changes in base rates determined by a formula rate structure.

**Cost of Gas Sold** - Alliant Energy, IPL and WPL incur costs for the purchase, transportation and storage of natural gas to serve their gas customers and charge the costs associated with the natural gas delivered to customers during each period to “Cost of gas sold” in the Consolidated Statements of Income. The tariffs for IPL’s and WPL’s retail gas customers provide for subsequent adjustments to their rates for changes in the cost of gas sold. Changes in the under-/over-collection of these costs are also recognized in “Cost of gas sold” in the Consolidated Statements of Income each period. The cumulative effects of the under-/over-collection of these costs are recorded in current “Regulatory assets” or current “Regulatory liabilities” on the Consolidated Balance Sheets until they are reflected in future billings to customers.

**Energy Efficiency Costs** - Alliant Energy, IPL and WPL incur costs to fund energy efficiency programs and initiatives that help customers reduce their energy usage and charge the costs incurred for these programs and initiatives to “Utility - Other operation and maintenance” in the Consolidated Statements of Income each period. Energy efficiency costs incurred by IPL are recovered from its retail electric and gas customers in Iowa through an additional tariff called an EECR factor. EECA factors are revised annually and include a reconciliation to eliminate any under-/over-collection of energy efficiency costs from prior periods. Energy efficiency costs incurred by WPL are recovered from retail electric and gas customers through changes in base rates determined during periodic rate proceedings. Reconciliations of any under-/over-collection of energy efficiency costs from prior periods are also addressed in WPL’s periodic rate proceedings. Changes in the under-/over-collection of energy efficiency costs each period for IPL and WPL are recognized in “Utility - Other operation and maintenance” in the Consolidated Statements of Income. The cumulative effects of the under-/over-collection of these costs for IPL and WPL are recorded in current “Regulatory assets” or current “Regulatory liabilities” on the Consolidated Balance Sheets until they are reflected in future billings to customers.

Refer to Note 2 for additional information regarding these utility cost recovery mechanisms.

**Financial Instruments** - Alliant Energy, IPL and WPL periodically use financial instruments for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs. The fair value of those financial instruments that are determined to be derivatives are recorded as assets or liabilities on the Consolidated Balance Sheets. At the end of each reporting period, derivative instruments representing unrealized gain positions are reported as derivative assets, and derivative instruments representing unrealized loss positions are reported as derivative liabilities. Alliant Energy, IPL and WPL also have certain commodity purchase and sales contracts that qualify for and have been designated under the normal purchase and sale exception, and based on this designation, such contracts are accounted for on the accrual basis of accounting. Alliant Energy, IPL and WPL have elected to not net the fair value amounts of
derivatives subject to a master netting arrangement by counterparty. Alliant Energy, IPL and WPL do not offset fair value amounts recognized for the right to reclaim cash collateral (receivable) or the obligation to return cash collateral (payable) against fair value amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement. Refer to Note 2 for discussion of the recognition of regulatory assets and regulatory liabilities related to the unrealized losses and gains on IPL’s and WPL’s derivative instruments. Refer to Notes 14, 15 and 16(f) for further discussion of derivatives and related credit risk.

(i) Asset Impairments -
Property, Plant and Equipment of Regulated Operations - Property, plant and equipment of regulated operations are reviewed for possible impairment whenever events or changes in circumstances indicate all or a portion of the carrying value of the assets may be disallowed for rate-making purposes. If IPL or WPL are disallowed recovery of any portion of the carrying value of their regulated property, plant and equipment that is under construction, has been recently completed or is probable of abandonment, an impairment charge is recognized equal to the amount of the carrying value that was disallowed. If IPL or WPL are disallowed a full or partial return on the carrying value of their regulated property, plant and equipment that is under construction, has been recently completed or is probable of abandonment, an impairment charge is recognized equal to the difference between the carrying value and the present value of the future revenues expected from their regulated property, plant and equipment. Refer to Note 3(a) for discussion of adjustments in 2011 and 2013 to the carrying value of IPL’s Whispering Willow - East wind project, based on amounts IPL determined were probable of being disallowed for recovery from its Minnesota retail electric customers.

Property, Plant and Equipment of Non-regulated Operations - Property, plant and equipment of non-regulated operations are reviewed for possible impairment whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Impairment is indicated if the carrying value of an asset exceeds its undiscounted future cash flows. An impairment charge is recognized equal to the amount the carrying value exceeds the asset’s fair value.

Unconsolidated Equity Investments - If events or circumstances indicate the carrying value of investments accounted for under the equity method of accounting may not be recoverable, potential impairment is assessed by comparing the fair value of these investments to their carrying values as well as assessing if a decline in fair value is temporary. If an impairment is indicated, a charge is recognized equal to the amount the carrying value exceeds the investment’s fair value. Refer to Note 6 (a) for additional discussion of investments accounted for under the equity method of accounting.

(j) Emission Allowances - Emission allowances are granted by the EPA at zero cost and permit the holder of the allowances to emit certain gaseous by-products of fossil fuel combustion, including SO2 and NOx. Unused emission allowances may be bought and sold or carried forward to be utilized in future years. Purchased emission allowances are recorded as intangible assets at their original cost and evaluated for impairment as long-lived assets to be held and used. Emission allowances allocated to or acquired by Alliant Energy, IPL or WPL are held primarily for consumption. Amortization of emission allowances is based upon a weighted average cost for each category of vintage year utilized during the reporting period. In 2013, 2012 and 2011, amortization expense of $0, $0 and $13.4 million, respectively, was recorded in “Electric production fuel and energy purchases” in the Consolidated Statements of Income. No amortization expense for emission allowances held at December 31, 2013 is currently expected to be recorded during 2014 through 2018. Cash inflows and outflows related to sales and purchases of emission allowances are presented in investing activities in the Consolidated Statements of Cash Flows. Refer to Note 2 for information regarding regulatory assets related to emission allowances.

(k) Asset Retirement Obligations - The fair value of any retirement costs associated with an asset for which Alliant Energy, IPL and WPL have a legal obligation is recorded as a liability with an equivalent amount added to the asset cost when an asset is placed in service or when sufficient information becomes available to determine a reasonable estimate of the fair value of future retirement costs. The fair value of AROs is determined using discounted cash flows analyses. The liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Accretion and depreciation expenses related to AROs for IPL’s and WPL’s regulated operations are recorded to regulatory assets on the Consolidated Balance Sheets. Upon regulatory approval to recover IPL’s AROs expenditures, its regulatory assets are amortized to depreciation and amortization expense in the Consolidated Statements of Income over the same time period that IPL’s customer rates are increased to recover the ARO expenditures. Effective January 1, 2013, WPL’s regulatory assets related to AROs are being recovered as a component of depreciation rates included in the most recent depreciation study approved by the PSCW in its May 2012 order. Accretion and depreciation expenses related to AROs for Alliant Energy’s non-regulated operations are recorded to depreciation and amortization expense in the Consolidated Statements of Income. Upon settlement of the ARO liability, an entity settles the obligation for its recorded amount or incurs a gain or loss. Any gains or losses related to AROs for IPL’s and WPL’s regulated operations are recorded to regulatory liabilities or regulatory assets on the Consolidated Balance Sheets. Refer to Note 13 for additional discussion of AROs.

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(l) Debt Issuance and Retirement Costs - Alliant Energy, IPL and WPL defer and amortize debt issuance costs and debt premiums or discounts over the expected lives of respective debt issues, considering maturity dates and, if applicable, redemption rights held by others. Alliant Energy’s non-regulated businesses and Corporate Services expense in the period of retirement any unamortized debt issuance costs and debt premiums or discounts on debt retired early. Refer to Note 2 for information on regulatory assets related to IPL’s and WPL’s debt retired early or refinanced.

(m) Allowance for Doubtful Accounts - Alliant Energy, IPL and WPL maintain allowances for doubtful accounts for estimated losses resulting from the inability of their customers to make required payments. Alliant Energy, IPL and WPL estimate the allowance for doubtful accounts based on historical write-offs, customer arrears and other economic factors within their service territories. Allowance for doubtful accounts at December 31 was as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Customer (a)</td>
<td>$1.4</td>
<td>$1.3</td>
<td>$1.4</td>
</tr>
<tr>
<td>Other</td>
<td>3.4</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>$4.8</td>
<td>$4.0</td>
<td>$0.7</td>
</tr>
</tbody>
</table>

(a) Refer to Note 5(a) for discussion of IPL’s allowance for doubtful accounts, which is included in its sales of accounts receivable program.

(n) Variable Interest Entities - An entity is considered a VIE if its equity investors do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties or its equity investors lack any of the following characteristics: (1) power, through voting rights or similar rights, to direct the activities of the entity that most significantly impact the entity’s economic performance; (2) the obligation to absorb expected losses of the entity; or (3) the right to receive expected benefits of the entity. The primary beneficiary of a VIE is required to consolidate the VIE. Alliant Energy did not reflect any VIEs on a consolidated basis in the consolidated financial statements.

(o) Cash Flows Presentation - Cash flows from continuing operations are presented together with cash flows from discontinued operations in the Consolidated Statements of Cash Flows.

(p) Comprehensive Income - In 2013, 2012 and 2011, Alliant Energy’s other comprehensive income was $0.6 million, $0 and $0.6 million, respectively; therefore, its comprehensive income was substantially equal to its net income and its comprehensive income attributable to Alliant Energy common shareowners was substantially equal to its net income attributable to Alliant Energy common shareowners for such periods.

(2) REGULATORY MATTERS

Regulatory Assets - At December 31, regulatory assets were comprised of the following items (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Tax-related</td>
<td>$829.7</td>
<td>$770.7</td>
<td>$798.6</td>
</tr>
<tr>
<td>Pension and other postretirement benefits costs</td>
<td>355.3</td>
<td>549.2</td>
<td>174.2</td>
</tr>
<tr>
<td>AROs</td>
<td>65.7</td>
<td>62.4</td>
<td>36.7</td>
</tr>
<tr>
<td>Emission allowances</td>
<td>30.0</td>
<td>30.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Environmental-related costs</td>
<td>25.0</td>
<td>34.9</td>
<td>21.0</td>
</tr>
<tr>
<td>Derivatives</td>
<td>21.1</td>
<td>40.2</td>
<td>5.9</td>
</tr>
<tr>
<td>Debt redemption costs</td>
<td>17.9</td>
<td>19.8</td>
<td>12.2</td>
</tr>
<tr>
<td>IPL’s electric transmission service costs</td>
<td>8.3</td>
<td>16.6</td>
<td>8.3</td>
</tr>
<tr>
<td>Other</td>
<td>60.2</td>
<td>88.6</td>
<td>26.6</td>
</tr>
<tr>
<td></td>
<td>$1,413.2</td>
<td>$1,612.4</td>
<td>$1,113.5</td>
</tr>
</tbody>
</table>

A portion of the regulatory assets in the above table are not earning a return. These regulatory assets are expected to be recovered from customers in future rates; however, the respective carrying costs of these assets are not expected to be recovered from customers in future rates. At December 31, 2013, IPL and WPL had $39 million and $13 million, respectively, of regulatory assets representing past expenditures that were not earning a return. IPL’s regulatory assets that were not earning a return consisted primarily of debt redemption costs and electric transmission service costs. WPL’s
regulatory assets that were not earning a return consisted primarily of amounts related to wholesale customer rate recovery, which is discussed in Note 1(f). The other regulatory assets reported in the above table either earn a return or the cash has not yet been expended, in which case the assets are offset by liabilities that also do not incur a carrying cost.

**Tax-related -** IPL and WPL record regulatory assets for certain temporary differences (primarily related to utility property, plant and equipment at IPL) that result in a decrease in current rates charged to customers and an increase in future rates charged to customers based on the timing of income tax expense that is used to determine such rates. These temporary differences include the impacts of qualifying deductions for repairs expenditures and allocation of mixed service costs, and Iowa accelerated tax depreciation, which all contribute to lower current income tax expense during the first part of an asset’s useful life and higher current tax expense during the last part of an asset’s useful life. These regulatory assets will be recovered from customers in the future when these temporary differences reverse resulting in additional current income tax expense used to determine customers’ rates. During 2013, Alliant Energy’s and IPL’s “Tax-related” regulatory assets in the above table increased primarily due to qualifying repairs expenditure deductions at IPL.

**Pension and other postretirement benefits costs -** The IUB and the PSCW have authorized IPL and WPL to record the retail portion of their respective previously unrecognized net actuarial gains and losses, and prior service costs and credits, as regulatory assets in lieu of AOCL on the Consolidated Balance Sheets, as these amounts are expected to be recovered in future rates. IPL and WPL also recognize the wholesale portion of their previously unrecognized net actuarial gains and losses, and prior service costs and credits, as regulatory assets on the Consolidated Balance Sheets because these costs are expected to be recovered in rates in future periods under the formula rate structure. These regulatory assets will be increased or decreased as the net actuarial gains or losses, and prior service costs or credits, are subsequently amortized and recognized as a component of net periodic benefit costs. Regulatory assets are also increased or decreased as a result of the annual defined benefit plan measurement process. During 2013, Alliant Energy’s, IPL’s and WPL’s pension and other postretirement benefits costs regulatory assets decreased due to a decrease in unrecognized net actuarial losses caused by higher discount rates and higher returns on assets compared to assumptions used in the annual defined benefit plan measurement process as of December 31, 2012.

Pension and other postretirement benefits costs are included within the recoverable cost of service component of rates charged to IPL’s and WPL’s customers. The recoverable costs included in customers’ rates are based upon pension and other postretirement benefits costs determined in accordance with GAAP and are calculated using different methods for the various regulatory jurisdictions in which IPL and WPL operate. The methods for IPL’s and WPL’s primary regulatory jurisdictions are described below. The IUB authorized IPL in its most recent Iowa retail electric rate case order to recover from its retail electric customers in Iowa an allocated portion of annual costs equal to a two-year simple average of actual costs incurred during its test year (2009) and an estimate of costs for its forward-looking post-test year (2010). The PSCW authorized WPL in its most recent Wisconsin retail rate case to recover from its electric and gas retail customers in base rates an estimated allocated portion of annual costs equal to the costs expected to be incurred during the 2013 and 2014 test year period. WPL is authorized to recover from its wholesale customers an allocated portion of actual pension costs incurred each year. In accordance with FERC-approved formula rates, any over- or under-collection of these costs each year are refunded to or recovered from customers through subsequent changes to wholesale customer rates. WPL is authorized to recover from its wholesale customers an allocated portion of their respective previously unrecognized net actuarial gains and losses, and prior service costs and credits, as regulatory assets in lieu of AOCL on the Consolidated Balance Sheets, as these amounts are expected to be recovered in future periods under the formula rate structure. These regulatory assets will be increased or decreased as the net actuarial gains or losses, and prior service costs or credits, are subsequently amortized and recognized as a component of net periodic benefit costs. Regulatory assets are also increased or decreased as a result of the annual defined benefit plan measurement process. During 2013, Alliant Energy’s, IPL’s and WPL’s pension and other postretirement benefits costs regulatory assets decreased due to a decrease in unrecognized net actuarial losses caused by higher discount rates and higher returns on assets compared to assumptions used in the annual defined benefit plan measurement process as of December 31, 2012.

**AROs -** Alliant Energy believes it is probable that any differences between expenses accrued for legal AROs related to its regulated operations and expenses recovered currently in rates will be recoverable in future rates, and is deferring the differences as regulatory assets. Refer to Note 13 for additional details regarding pension and other postretirement benefits costs.

**Emission allowances -** IPL entered into forward contracts in 2007 to purchase SO2 emission allowances with vintage years of 2014 through 2017 from various counterparties for $34 million to meet future CAIR emission reduction standards. Any SO2 emission allowances acquired under these forward contracts may be used to meet requirements under the existing Acid Rain program regulations or the more stringent CAIR emission reduction standards but are not eligible to be used for compliance requirements under CSAPR. In 2011, the EPA issued CSAPR to replace CAIR with an anticipated effective date in 2012. As a result of the issuance of CSAPR, Alliant Energy concluded in 2011 that the allowances to be acquired under these forward contracts would not be needed by IPL to comply with expected environmental regulations in the future. The value of these allowances was nominal, which was significantly below the $34 million contract price for these allowances. As a result, Alliant Energy recognized charges of $34 million for these forward contracts in 2011 with an offsetting obligation recorded in other long-term liabilities and deferred credits. Alliant Energy concluded that $30 million of the charges are probable of recovery from IPL’s customers, and therefore, were recorded to regulatory assets in 2011. The remaining $4
million of charges were determined not to be probable of recovery from IPL’s customers resulting in $2 million of charges related to electric customers recorded to “Electric production fuel and energy purchases” and $2 million of charges related to steam customers recorded to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2011. In 2012, the D.C. Circuit Court vacated and remanded CSAPR for further revision to the EPA. The D.C. Circuit Court order also requires the EPA to continue administering CAIR pending the promulgation of a valid replacement for CSAPR. Despite CSAPR being vacated, the current value of these allowances continues to be nominal and significantly below the $34 million contract price for these allowances. Alliant Energy currently believes that CAIR will be replaced in the future, either by a modified CSAPR or another rule that addresses the interstate transport of air pollutants.

Environmental-related costs - The IUB has permitted IPL to recover prudently incurred costs by allowing a representative level of MGP costs in the recoverable cost of service component of rates, as determined in its most recent retail gas rate case. Under the current rate-making treatment approved by the PSCW, the MGP expenditures of WPL are deferred and collected from retail gas customers over a five-year period after new rates are implemented. The MPUC allows the deferral of MGP-related costs applicable to IPL’s Minnesota sites and IPL has received approval to recover such costs in retail gas rates in Minnesota in its most recent retail gas rate case. Regulatory assets recorded by IPL and WPL reflect the probable future rate recovery of MGP expenditures. Refer to Note 16(e) for additional details of environmental-related MGP costs.

Derivatives - In accordance with IPL’s and WPL’s fuel and natural gas recovery mechanisms, prudently incurred costs from derivative instruments are recovered from customers in the future after any losses are realized and gains from derivative instruments are refunded to customers in the future after any gains are realized. Based on these recovery mechanisms, the changes in the fair value of derivative liabilities/assets resulted in comparable changes to regulatory assets/liabilities on the Consolidated Balance Sheets. Refer to Note 15 for additional details of derivative assets and derivative liabilities.

Debt redemption costs - For debt retired early with no subsequent re-issuance, IPL and WPL defer any debt repayment premiums and unamortized debt issuance costs and discounts as regulatory assets. These regulatory assets are amortized over the remaining original life of the debt retired early. Debt repayment premiums and other losses resulting from the refinancing of debt by IPL and WPL are deferred as regulatory assets and amortized over the life of the new debt issued.

IPL’s electric transmission service costs - In 2010, IPL incurred electric transmission service costs billed by ITC under the Attachment “O” rate for ITC’s under-recovered 2008 costs. In 2010, the IUB issued an order authorizing IPL to defer the Iowa retail portion of these under-recovered costs and amortize the deferred costs over a five-year period ending December 2014. In accordance with this order, IPL is amortizing $8 million of this regulatory asset annually, with an equal and offsetting amount of amortization of IPL’s regulatory liability related to its electric transmission assets sale. The IUB determined that IPL should not include the unamortized balance of these deferred costs in electric rate base during the five-year recovery period.

Other - Alliant Energy assesses whether IPL’s and WPL’s regulatory assets are probable of future recovery by considering factors such as applicable regulations, recent orders by the applicable regulatory agencies, historical treatment of similar costs by the applicable regulatory agencies and regulatory environment changes. Based on these assessments, Alliant Energy believes the regulatory assets recognized as of December 31, 2013 in the above table are probable of future recovery. However, no assurance can be made that IPL and WPL will recover all of these regulatory assets in future rates. If future recovery of a regulatory asset ceases to be probable, the regulatory asset will be charged to expense in the period in which future recovery ceases to be probable.

Based on the 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 emission controls projects. As a result, Alliant Energy recorded a $5 million increase to regulatory assets, and a $5 million credit to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2012.

Based on assessments completed in 2011, Alliant Energy recognized impairment charges of $9 million for regulatory assets that were no longer probable of future recovery. The regulatory asset impairment charges were recorded as reductions in regulatory assets and charges to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2011.

Based on the MPUC’s November 2011 order related to IPL’s 2009 test year Minnesota retail electric rate case, IPL was authorized to recover $2 million of previously incurred plant cancellation costs for Sutherland #4 over a 25-year period
ending in 2037. As a result, Alliant Energy recorded a $2 million increase to regulatory assets, and a $2 million credit to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2011.

**Regulatory Liabilities** - At December 31, regulatory liabilities were comprised of the following items (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of removal obligations</td>
<td>$418.9</td>
<td>$408.7</td>
<td>$277.7</td>
</tr>
<tr>
<td>IPL’s tax benefit riders</td>
<td>265.4</td>
<td>355.8</td>
<td>265.4</td>
</tr>
<tr>
<td>Energy conservation cost recovery</td>
<td>52.7</td>
<td>55.1</td>
<td>9.3</td>
</tr>
<tr>
<td>IPL’s electric transmission assets sale</td>
<td>21.6</td>
<td>32.5</td>
<td>21.6</td>
</tr>
<tr>
<td>IPL’s electric transmission cost recovery</td>
<td>14.6</td>
<td></td>
<td>14.6</td>
</tr>
<tr>
<td>Commodity cost recovery</td>
<td>7.5</td>
<td>17.7</td>
<td>5.5</td>
</tr>
<tr>
<td>Other</td>
<td>40.8</td>
<td>46.3</td>
<td>20.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$821.5</td>
<td>$916.1</td>
<td>$614.9</td>
</tr>
</tbody>
</table>

Regulatory liabilities related to cost of removal obligations, to the extent expensed through depreciation rates, reduce rate base. A significant portion of the remaining regulatory liabilities are not used to reduce rate base in the revenue requirement calculations utilized in IPL’s and WPL’s respective rate proceedings.

**Cost of removal obligations** - Alliant Energy collects in rates future removal costs for many assets that do not have associated legal AROs. Alliant Energy records a regulatory liability for the estimated amounts it has collected in rates for these future removal costs less amounts spent on removal activities.

**IPL’s tax benefit riders** - At December 31, 2013, Alliant Energy’s and IPL’s “IPL’s tax benefit riders” regulatory liabilities in the above table consisted of $228.9 million and $36.5 million for the electric and gas tax benefit riders, respectively. These regulatory liabilities decreased $90 million in aggregate in 2013 due to the following items:

**Electric tax benefit rider** - In January 2011, the IUB approved an electric tax benefit rider proposed by IPL, which utilizes regulatory liabilities to credit bills of Iowa retail electric customers beginning in February 2011 to help offset the impact of rate increases on such customers. These regulatory liabilities are related to tax benefits from tax accounting method changes for repairs expenditures, allocation of mixed service costs and allocation of insurance proceeds from floods in 2008. Alliant Energy recognizes an offsetting reduction to income tax expense for the after-tax amounts credited to IPL’s retail electric customers’ bills in Iowa, resulting in no impact to net income from the electric tax benefit rider. In 2013, 2012 and 2011, Alliant Energy and IPL utilized $79 million, $83 million and $61 million, respectively, of electric tax benefit rider-related regulatory liabilities accumulated in prior years to credit IPL’s Iowa retail electric customers’ bills. In 2013, 2012 and 2011, the $79 million, $83 million and $61 million reductions to “Electric operating revenues” resulted in $33 million, $35 million and $25 million of credits to “Income taxes” as a result of the decrease in taxable income in the Consolidated Statements of Income in 2013, 2012 and 2011, respectively. In 2013, 2012 and 2011, additional reductions to “Income taxes” of $46 million, $48 million and $36 million, respectively, were also recognized in the Consolidated Statements of Income representing the tax benefits realized related to the electric tax benefit rider. In December 2013, the IUB issued an order authorizing $85 million of regulatory liabilities from tax benefits to be credited to IPL’s retail electric customers’ bills in Iowa during 2014 through the electric tax benefit rider.

**Gas tax benefit rider** - In November 2012, the IUB approved a gas tax benefit rider proposed by IPL, which utilizes up to $12 million of regulatory liabilities annually to credit bills of Iowa retail gas customers beginning in January 2013 through December 2015 to help offset the impact of rate increases on such customers. These regulatory liabilities are related to tax benefits from tax accounting method changes for repairs expenditures, allocation of mixed service costs and allocation of insurance proceeds from floods in 2008. Any remaining benefit, including any portion not utilized of the agreed upon amount from January 2013 through December 2015, will be credited to Iowa’s retail gas customers’ bills in 2016. In 2013, Alliant Energy and IPL utilized $11 million of gas tax benefit rider-related regulatory liabilities to credit IPL’s Iowa retail gas customers’ bills. In 2013, the $11 million reduction to “Gas operating revenues” resulted in $4 million of credits to “Income taxes” as a result of the decrease in taxable income in the Consolidated Statement of Income in 2013. In 2013, additional reductions to “Income taxes” of $7 million were also recognized in the Consolidated Statement of Income representing the tax benefits realized related to the gas tax benefit rider.

Refer to Note 11 for additional details regarding IPL’s tax benefit riders.
**Energy conservation cost recovery** - WPL and IPL collect revenues from their customers to offset certain expenditures incurred by WPL and IPL for conservation programs, including state mandated programs and Shared Savings programs. Differences between forecasted costs used to set rates and actual costs for these programs are deferred as a regulatory asset or regulatory liability.

**IPL’s electric transmission assets sale** - In 2007, IPL completed the sale of its electric transmission assets to ITC and recognized a gain based on the terms of the agreement. Upon closing of the sale, IPL established a regulatory liability of $89 million pursuant to conditions established by the IUB when it allowed the transaction to proceed. The regulatory liability represented the present value of IPL’s obligation to refund to its customers payments beginning in the year IPL’s customers experience an increase in rates related to the transmission charges assessed by ITC. The regulatory liability accrues interest at the monthly average U.S. Treasury rate for three-year maturities.

**Iowa retail portion** - In 2009, the IUB issued an order authorizing IPL to use a portion of this regulatory liability to reduce Iowa retail electric customers’ rates by $12 million for the period from July 2009 through February 2010 with billing credits included in the monthly energy adjustment clause. In 2010, the IUB issued an order authorizing IPL to use a portion of this regulatory liability to offset electric transmission service costs expected to be billed to IPL by ITC in 2010 related to ITC’s 2008 transmission revenue adjustment. IPL expects to utilize $41 million of this regulatory liability over a five-year period ending December 2014 to offset the Iowa retail portion of transmission costs billed to IPL by ITC in 2010 related to ITC’s 2008 transmission revenue adjustment. As a result, IPL is amortizing $8 million of this regulatory liability annually, with an equal and offsetting amount of amortization for IPL’s regulatory asset related to electric transmission service costs.

In accordance with the IUB’s 2011 order related to IPL’s 2009 test year Iowa retail electric rate case, IPL was authorized to utilize regulatory liabilities in 2011 to offset transmission service expenses related to the Iowa retail portion of 2009 under-recovered costs billed to IPL. As a result, Alliant Energy recorded a reduction of $19 million in regulatory liabilities, and a reduction of $19 million in “Electric transmission service” in the Consolidated Statement of Income in 2011. The IUB also authorized IPL to utilize $3 million of this regulatory liability in 2011 to reduce IPL’s Iowa retail electric rate base associated with the Whispering Willow - East wind project.

**Minnesota retail portion** - In 2010, the MPUC issued an interim rate order authorizing IPL to use a portion of this regulatory liability to implement an alternative transaction adjustment through its energy adjustment clause resulting in annual credits to its Minnesota retail electric customers beginning in July 2010 to coincide with the effective date of the interim rate increase for Minnesota retail customers. The amounts of the annual credits are dependent upon the level of KWhs sold to IPL’s Minnesota retail customers. In accordance with the MPUC’s November 2011 order related to IPL’s 2009 test year Minnesota retail electric rate case, IPL was authorized 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 previously estimated. As a result, Alliant Energy recorded a $5 million increase to regulatory liabilities, and a $5 million charge to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2011 for the additional amount to be refunded.

Refunds related to any remaining balance of IPL’s electric transmission assets sale regulatory liability are expected to be determined in future rate proceedings or as part of the proposed sale of Minnesota electric distribution assets.

**IPL’s electric transmission cost recovery** - Refer to Note 1(g) for additional details of IPL’s electric transmission service cost recovery mechanism.

**Commodity cost recovery** - Refer to Note 1(g) for additional details of IPL’s and WPL’s cost recovery mechanisms. Refer to “WPL’s Retail Fuel-related Rate Filing (2012 Test Year)” below for discussion of refunds made to WPL’s retail electric customers in 2013.

**Utility Rate Cases** - WPL’s Wisconsin Retail Electric and Gas Rate Case (2013/2014 Test Period) - In July 2012, WPL received an order from the PSCW authorizing WPL to implement 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 order also authorized WPL to maintain customer base rates for its retail electric customers at their current levels through the end of 2014. The order included provisions that require WPL to defer a portion of its earnings if its annual regulatory return on common equity exceeds certain levels during 2013 or 2014 and allows WPL to request a change in retail base rates during this period if its annual regulatory return on common equity falls below a certain level. As of December 31, 2013, Alliant Energy did not record any material deferred amounts for these provisions. Refer to “Regulatory Assets” above for discussion of regulatory-
related credits recorded in 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 emission controls projects.

**IPL’s Iowa Retail Gas Rate Case (2011 Test Year)** - In May 2012, IPL filed a request with the IUB to increase annual rates for its Iowa retail gas customers based on a 2011 historical test year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. 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 proposed to reduce customer bills utilizing a gas 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. In 2012, Alliant Energy recorded $5 million in gas revenues from IPL’s Iowa retail gas customers related to the interim retail gas rate increase. In November 2012, the IUB approved a settlement agreement between IPL, the OCA and the Iowa Consumers Coalition related to IPL’s request, resulting in a final increase in annual rates for IPL’s Iowa retail gas customers of $11 million, or approximately 4%, effective January 10, 2013. The parties and the IUB also agreed to IPL’s proposed gas tax benefit rider. In 2013, Alliant Energy recorded $11 million in gas revenues from IPL’s Iowa retail gas customers related to the final retail gas rate increase. Refer to “Regulatory Liabilities” above for additional details on IPL’s gas tax benefit rider.

**IPL’s Iowa Retail Electric Rate Case (2009 Test Year)** - Electric Tax Benefit Rider - In February 2013, the IUB issued an order allowing IPL to recognize a revenue requirement adjustment of $24 million in 2013 related to certain tax benefits from tax accounting method changes. The revenue requirement adjustment is recognized through the energy adjustment clause as a reduction of the credits on IPL’s Iowa retail electric customers’ bills from the electric tax benefit rider. In 2013, Alliant Energy recognized $24 million of the revenue requirement adjustment resulting in increases to electric revenues in the Consolidated Statement of Income. In December 2013, the IUB authorized IPL to reduce the billing credits on customers’ bills by $15 million in 2014 from tax benefits for the electric tax benefit rider to recognize the revenue requirement impact of the changes in tax accounting methods.

**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 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 controls projects at Lansing Unit 4, and recovery of increased electric transmission service costs. In conjunction with the filing, IPL implemented an interim retail rate increase of $14 million, on an annual basis, effective July 6, 2010. In November 2011, IPL received an order from the MPUC authorizing a final annual retail electric rate increase equivalent to $11 million. The final annual retail electric rate increase of $11 million includes $8 million of higher base rates, $2 million from the temporary renewable energy rider and $1 million from the utilization of regulatory liabilities to offset higher electric transmission service costs. Refer to “Regulatory Assets” and “Regulatory Liabilities” above for discussion of changes to regulatory assets and regulatory liabilities in 2011 based on the MPUC’s decisions in this rate case. Refer to Note 3(a) for discussion of adjustments in 2011 and 2013 to the carrying value of IPL’s Whispering Willow - East wind project, based on amounts IPL determined were probable of being disallowed for recovery from its Minnesota retail electric customers.

**WPL’s Retail Fuel-related Rate Filing (2014 Test Year)** - In December 2013, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $19 million, or approximately 2%, effective January 1, 2014 to reflect anticipated increases in retail fuel-related costs in 2014 compared to the fuel-related cost estimates used to determine rates for 2013. WPL’s 2014 fuel-related costs will be subject to deferral if they fall outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs.

**WPL’s Retail Fuel-related Rate Filing (2013 Test Year)** - In December 2012, WPL received an order from the PSCW authorizing an annual retail electric rate decrease of $29 million, or approximately 3%, effective January 1, 2013 to reflect anticipated decreases in retail fuel-related costs in 2013 compared to the fuel-related cost estimates used to determine rates for 2012. WPL’s 2013 fuel-related costs were subject to deferral if they fell outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL for 2013 did not fall outside of the fuel monitoring range.

**WPL’s Retail Fuel-related Rate Filing (2012 Test Year)** - In December 2011, WPL received an order from the PSCW authorizing an annual retail electric rate increase of $4 million, effective January 1, 2012 to reflect anticipated increases in retail fuel-related costs in 2012 compared to the fuel-related cost estimates used to determine rates for 2011. The 2012 fuel-related costs were subject to an annual bandwidth of plus or minus 2%. Retail fuel-related costs incurred by WPL in 2012
were lower than retail fuel-related costs used to determine rates for such period resulting in an over-collection of fuel-related costs for 2012 of approximately $17 million (including $11 million outside the approved range for 2012 recorded in “Regulatory liabilities” on the Consolidated Balance Sheet as of December 31, 2012). In August 2013, WPL received an order from the PSCW to refund $12 million, including interest, to its retail electric customers for these over-collections, which WPL completed in September 2013.

Refer to Note 1(g) for further discussion of WPL’s fuel cost recovery mechanism.

(3) PROPERTY, PLANT AND EQUIPMENT
(a) Utility -
Electric Plant - At December 31, details of electric plant were as follows (in millions):

<table>
<thead>
<tr>
<th>Plant in service:</th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation (a)</td>
<td>$4,792.0</td>
<td>$4,798.9</td>
<td>$2,513.2</td>
</tr>
<tr>
<td>Distribution</td>
<td>4,179.6</td>
<td>3,981.5</td>
<td>2,311.2</td>
</tr>
<tr>
<td>Other</td>
<td>286.3</td>
<td>290.3</td>
<td>210.5</td>
</tr>
<tr>
<td>Plant anticipated to be retired early (b)</td>
<td>157.8</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>$9,415.7</td>
<td>$9,070.7</td>
<td>$5,034.9</td>
</tr>
</tbody>
</table>

(a) The decrease in Alliant Energy’s and WPL’s generation portion of electric plant in service was primarily due to classifying Edgewater Unit 3 and Nelson Dewey Units 1 and 2 as “Plant anticipated to be retired early” as of December 31, 2013, which is discussed below. Partially offsetting this decrease at Alliant Energy, and contributing to the increase in IPL’s generation portion of electric plant in service, was an increase at IPL due to a scrubber and baghouse at George Neal Unit 4 being placed in service in the fourth quarter of 2013. As of December 31, 2013, the capitalized project costs for the George Neal Unit 4 scrubber and baghouse were $61 million.

(b) In 2013, WPL received approval from MISO to retire Edgewater Unit 3, and Nelson Dewey Units 1 and 2. WPL currently anticipates retiring these EGUs by December 31, 2015, contingent on completion of transmission network upgrades needed for system reliability. WPL is recovering the remaining net book value of these EGUs over a 10-year period beginning January 1, 2013 pursuant to a May 2012 PSCW order.

Wind Generation Projects -
Wind Site in Franklin County, Iowa - In 2007, IPL acquired approximately 500 MW of wind site capacity in Franklin County, Iowa. The initial 200 MW of the wind site was utilized for IPL’s Whispering Willow - East wind project, which began generating electricity in 2009. In 2011, IPL sold approximately 100 MW of wind site capacity to Resources for construction of a non-regulated wind project referred to as the Franklin County wind project. Future development of the balance of the wind site by IPL will depend on numerous factors such as RPS, environmental legislation, fossil fuel prices, technology advancements and transmission capabilities. As of December 31, 2013, Alliant Energy’s capitalized costs related to the remaining approximately 200 MW of wind site capacity in Franklin County, Iowa were $13 million and were recorded in “Other property, plant and equipment” on the Consolidated Balance Sheet.

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 reach a conclusion as to the prudence of these project costs. The prudence of these project costs and the final recovery rate was addressed in a separate proceeding in 2013. The initial recovery rate approved by the MPUC was 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 believed that it was probable it would not be allowed to recover the entire Minnesota retail portion of its project costs. IPL estimated the most likely outcome of the final rate proceeding would 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, Alliant Energy recognized an $8 million impairment related to this probable disallowance, which was recorded as a reduction to electric plant and a charge to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2011.

In December 2013, IPL received an order from the MPUC approving full cost recovery of the Minnesota retail portion of IPL's Whispering Willow - East wind project construction costs effective January 1, 2013. As a result, Alliant Energy recognized a $7 million regulatory-related credit, which was recorded as an an increase to “Electric plant” on the
Consolidated Balance Sheets and a decrease to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2013.

**Franklin County Wind Project** - In 2008, Alliant Energy entered into a master supply agreement with Vestas-American Wind Technology, Inc. to purchase 500 MW of wind turbine generator sets and related equipment. Alliant Energy utilized 401 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 2011, IPL sold the remaining 99 MW of wind turbine generator sets and related equipment to Resources for $115.3 million, which represented IPL’s book value for progress payments to date for the wind turbine generator sets and related equipment and land rights in Franklin County, Iowa. In addition, Resources assumed the remaining progress payments to Vestas-American Wind Technology, Inc. for the 99 MW of wind turbine generator sets and related equipment. Refer to Note 3(b) for further discussion of the Franklin County wind project.

**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 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 2011 for the amount of capitalized costs incurred for this site. Alliant Energy recorded the impairment as a reduction in other utility property, plant and equipment, and a charge to “Utility - Other operation and maintenance” in the Consolidated Statement of Income in 2011.

**Environmental Compliance Plans Emission Controls Projects** -

- **IPL’s George Neal Units 3 and 4** - In 2011, MidAmerican began installing scrubbers and baghouses at George Neal Units 3 and 4 to reduce SO2 and mercury emissions at the EGUs. The scrubbers and baghouses are expected to help meet requirements under the MATS Rule and CAIR or some alternative to CAIR that may be implemented. IPL owns a 28.0% and 25.695% interest in George Neal Units 3 and 4, respectively.

Construction of the scrubber and baghouse at George Neal Unit 4 was completed in the fourth quarter of 2013, which resulted in a transfer of the capitalized project costs from “Construction work in progress - Other” to “Electric plant” on the Consolidated Balance Sheets in 2013. As of December 31, 2013, the capitalized project costs consisted of capital expenditures of $57 million and AFUDC of $4 million for IPL’s allocated portion of the George Neal Unit 4 scrubber and baghouse.

Construction of the scrubber and baghouse at George Neal Unit 3 is expected to be completed in 2014. As of December 31, 2013, Alliant Energy recorded capitalized expenditures of $53 million and AFUDC of $2 million for IPL’s allocated portion of the George Neal Unit 3 emission controls on the Consolidated Balance Sheet.

- **IPL’s Ottumwa Unit 1** - IPL is currently installing a scrubber and baghouse at Ottumwa Unit 1 to reduce SO2 and mercury emissions at the EGU. IPL owns a 48% interest in Ottumwa Unit 1. Construction began in the second quarter of 2012 and is expected to be completed in 2014. The scrubber and baghouse are expected to help meet requirements under the MATS Rule and CAIR or some alternative to CAIR that may be implemented. As of December 31, 2013, Alliant Energy recorded capitalized expenditures of $125 million and AFUDC of $10 million for IPL’s allocated portion of the scrubber and baghouse in “Construction work in progress - Ottumwa Generating Station Unit 1 emission controls” on the Consolidated Balance Sheet.

- **WPL’s Columbia Units 1 and 2** - WPL is currently installing scrubbers and baghouses at Columbia Units 1 and 2 to reduce SO2 and mercury emissions at the EGU. WPL owns a 46.2% interest in Columbia Units 1 and 2. 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 MATS Rule and CAIR or some alternative to CAIR that may be implemented. As of December 31, 2013, Alliant Energy recorded capitalized expenditures of $254 million and AFUDC of $11 million for WPL’s allocated portion of the scrubbers and baghouses in “Construction work in progress - Columbia Energy Center Units 1 and 2 emission controls” on the Consolidated Balance Sheet.

- **WPL’s Edgewater Unit 5** - In June 2013, WPL received an order from the PSCW approving WPL’s CA application to install a scrubber and baghouse at Edgewater Unit 5 to reduce SO2 and mercury emissions at the EGU. WPL currently expects to begin construction of the project in 2014 and place it in service in 2016. The scrubber and baghouse are expected to help meet requirements under the MATS Rule and CAIR or some alternative to CAIR that may be implemented.
Proposed Sales of IPL’s Minnesota Electric and Natural Gas Distribution Assets - In September 2013, IPL signed a definitive agreement to sell its Minnesota electric distribution assets to Southern Minnesota Energy Cooperative, a combined group of various neighboring electric cooperatives. Also in September 2013, IPL signed a definitive agreement to sell its Minnesota natural gas distribution assets to Minnesota Energy Resources Corporation, a subsidiary of Integrys Energy Group, Inc. Proceeds from the sales are expected to be approximately $128 million in aggregate, subject to customary closing adjustments. The proceeds are expected to reduce Alliant Energy’s future financing requirements. Pending all necessary federal and state regulatory approvals, including the MPUC, FERC and the IUB, the transactions are expected to be concluded in the second half of 2014.

The sales price of the assets expected to be sold, which primarily consist of property, plant and equipment, and working capital items, is expected to result in a modest gain. Any after-tax gain realized from the transaction may be subject to refund to IPL’s customers. As of December 31, 2013, IPL’s assets and liabilities included in the sale agreements did not meet the criteria to be classified as held for sale due to uncertainties in the regulatory approval process. The operating results of IPL’s Minnesota electric and natural gas distribution businesses also did not qualify as discontinued operations as of December 31, 2013.

The electric distribution asset sales agreement includes a wholesale power supply agreement between IPL and Southern Minnesota Energy Cooperative, which is subject to FERC approval. The agreement contains a five-year termination notice, which may not be given until the fifth anniversary of the effective date of the agreement, resulting in a minimum term of 10 years. The agreement remains in effect indefinitely, unless notice to terminate is provided by either party. This wholesale power supply agreement includes standardized pricing mechanisms that are detailed in IPL’s current tariffs accepted by FERC through wholesale rate case proceedings. IPL’s current return on common equity authorized by FERC related to its wholesale electric rates is 10.97%. As a result of IPL’s requirement to supply electricity to Southern Minnesota Energy Cooperative under the wholesale power supply agreement, the sale of the electric distribution assets is not expected to have a significant impact on Alliant Energy’s current generation plans or operating results.

AFUDC - AFUDC represents costs to finance construction additions including a return on equity component and cost of debt component as required by regulatory accounting. The concurrent credit for the amount of AFUDC capitalized is recorded as “Allowance for funds used during construction” in the Consolidated Statements of Income. The amount of AFUDC generated by equity and debt components was as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td>10.5</td>
<td>7.8</td>
<td>4.4</td>
</tr>
<tr>
<td></td>
<td>$30.8</td>
<td>$21.9</td>
<td>$12.0</td>
</tr>
</tbody>
</table>

AFUDC related to various construction projects was recognized in the Consolidated Statements of Income as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emission controls - Ottumwa Unit 1</td>
<td>$8.0</td>
<td>$2.0</td>
<td>—</td>
</tr>
<tr>
<td>Emission controls - George Neal Units 3 and 4</td>
<td>5.1</td>
<td>0.9</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>7.9</td>
<td>5.5</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>21.0</td>
<td>8.4</td>
<td>5.8</td>
</tr>
<tr>
<td>WPL:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emission controls - Columbia Units 1 and 2</td>
<td>7.2</td>
<td>3.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Emission controls - Edgewater Unit 5</td>
<td>—</td>
<td>7.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Other</td>
<td>2.6</td>
<td>2.4</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td>9.8</td>
<td>13.5</td>
<td>6.2</td>
</tr>
<tr>
<td>Alliant Energy</td>
<td>$30.8</td>
<td>$21.9</td>
<td>$12.0</td>
</tr>
</tbody>
</table>
(b) Non-regulated and Other - The non-regulated and other property, plant and equipment on the Consolidated Balance Sheets includes the following:

**Franklin County Wind Project** - The Franklin County wind project was placed into service in 2012 and is depreciated using the straight-line method over a 30-year period. As of December 31, 2013, Alliant Energy recorded $142 million in “Non-regulated Generation property, plant and equipment” on the Consolidated Balance Sheet related to the wind project. Refer to Note 3(a) for further discussion of the wind project, Note 5(d) for discussion of a cash grant received in 2013 related to the wind project and Note 13 for discussion of the wind project AROs.

**Sheboygan Falls** - Sheboygan Falls was placed into service in 2005 and is depreciated using the straight-line method over a 35-year period. As of December 31, 2013, Alliant Energy recorded $107 million in “Non-regulated Generation property, plant and equipment” on the Consolidated Balance Sheet related to Sheboygan Falls.

**Other** - The property, plant and equipment related to Corporate Services, Transportation and other non-regulated investments is recorded in “Alliant Energy Corporate Services, Inc. and other property, plant and equipment” on the Consolidated Balance Sheets and is depreciated using the straight-line method over periods ranging from 5 to 30 years.

(4) **JOINTLY-OWNED ELECTRIC UTILITY PLANT**

Under joint ownership agreements with other utilities, IPL and WPL have undivided ownership interests in jointly-owned coal-fired EGUs. Each of the respective owners is responsible for the financing of its portion of the construction costs. KWh generation and operating expenses are primarily divided between the joint owners on the same basis as ownership. IPL's and WPL’s shares of expenses from jointly-owned coal-fired EGUs are included in the corresponding operating expenses (e.g., electric production fuel, other operation and maintenance, etc.) in the Consolidated Statements of Income. Refer to Note 2 for further discussion of cost of removal obligations. Information relative to IPL’s and WPL’s ownership interest in these jointly-owned coal-fired EGUs at December 31, 2013 was as follows (dollars in millions):

<table>
<thead>
<tr>
<th></th>
<th>In-service Dates</th>
<th>Ownership Interest %</th>
<th>Electric Plant</th>
<th>Accumulated Provision for Depreciation</th>
<th>Construction Work in Progress</th>
<th>Cost of Removal Obligations Included in Regulatory Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ottumwa Unit 1</td>
<td>1981</td>
<td>48.0%</td>
<td>$246.8</td>
<td>$125.3</td>
<td>$154.6</td>
<td>$12.8</td>
</tr>
<tr>
<td>George Neal Unit 4</td>
<td>1979</td>
<td>25.7%</td>
<td>180.4</td>
<td>70.1</td>
<td>0.6</td>
<td>11.8</td>
</tr>
<tr>
<td>George Neal Unit 3</td>
<td>1975</td>
<td>28.0%</td>
<td>59.5</td>
<td>40.3</td>
<td>59.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Louisa Unit 1</td>
<td>1983</td>
<td>4.0%</td>
<td>35.2</td>
<td>19.7</td>
<td>0.1</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>521.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>255.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>214.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33.5</td>
</tr>
<tr>
<td>WPL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbia Units 1-2</td>
<td>1975-1978</td>
<td>46.2%</td>
<td>$255.5</td>
<td>159.4</td>
<td>270.5</td>
<td>10.1</td>
</tr>
<tr>
<td>Edgewater Unit 4</td>
<td>1969</td>
<td>68.2%</td>
<td>93.2</td>
<td>51.6</td>
<td>0.7</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>348.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>211.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>271.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12.4</td>
</tr>
<tr>
<td>Alliant Energy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$870.6</td>
<td>$466.4</td>
<td>$485.6</td>
<td>$45.9</td>
</tr>
</tbody>
</table>

(5) **RECEIVABLES**

(a) **Sales of Accounts Receivable** - IPL maintains a Receivables Agreement whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third party through wholly-owned and consolidated special purpose entities. In March 2014, the purchase commitment from the third party to which it sells its receivables expires. IPL is currently pursuing the extension of the purchase commitment. IPL accounts for sales of receivables under the Receivables Agreement as transfers of financial assets. In exchange for the receivables sold, IPL receives cash proceeds from the third party (based on seasonal limits up to $180 million, including $150 million as of December 31, 2013), and deferred proceeds recorded in accounts receivable on the Consolidated Balance Sheets. IPL makes monthly payments to the third party of an amount that varies based on interest rates, the length of time the cash proceeds remain outstanding and the total amount under commitment by the third party. IPL has historically used proceeds from the sales of receivables to maintain flexibility in its capital structure, take advantage of favorable short-term rates and finance a portion of its cash needs.

Deferred proceeds are payable by the third party solely from the collections of the receivables, but only after paying any required expenses to the third party and the collection agent. Corporate Services acts as collection agent for the third party and receives a fee for collection services. IPL believes that the allowance for doubtful accounts related to its sales of receivables is a reasonable approximation of any credit risk of the customers that generated the receivables. Therefore, the carrying amount of deferred proceeds, after being reduced by the allowance for doubtful accounts, approximates the fair
value of the deferred proceeds due to the short-term nature of the collection period. The carrying amount of deferred proceeds represents IPL’s maximum exposure to loss related to the receivables sold.

As of December 31, 2013 and 2012, IPL sold $238.0 million and $198.4 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, were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum outstanding aggregate cash proceeds (based on daily outstanding balances)</td>
<td>$170.0</td>
<td>$160.0</td>
<td>$160.0</td>
</tr>
<tr>
<td>Average outstanding aggregate cash proceeds (based on daily outstanding balances)</td>
<td>105.9</td>
<td>119.8</td>
<td>118.1</td>
</tr>
<tr>
<td>Costs incurred</td>
<td>1.1</td>
<td>1.4</td>
<td>1.5</td>
</tr>
</tbody>
</table>

As of December 31, the attributes of IPL’s receivables sold under the Receivables Agreement were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer accounts receivable</td>
<td>$151.6</td>
<td>$118.2</td>
</tr>
<tr>
<td>Unbilled utility revenues</td>
<td>86.2</td>
<td>77.4</td>
</tr>
<tr>
<td>Other receivables</td>
<td>0.2</td>
<td>2.8</td>
</tr>
<tr>
<td>Recievables sold</td>
<td>238.0</td>
<td>198.4</td>
</tr>
<tr>
<td>Less: cash proceeds (a)</td>
<td>29.0</td>
<td>130.0</td>
</tr>
<tr>
<td>Deferred proceeds</td>
<td>209.0</td>
<td>68.4</td>
</tr>
<tr>
<td>Less: allowance for doubtful accounts</td>
<td>5.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Fair value of deferred proceeds</td>
<td>$203.5</td>
<td>$66.8</td>
</tr>
<tr>
<td>Outstanding receivables past due</td>
<td>$21.5</td>
<td>$16.1</td>
</tr>
</tbody>
</table>

(a) Changes in cash proceeds are presented in “Sales of accounts receivable” in operating activities in the Consolidated Statements of Cash Flows.

Refer to Note 9(b) for discussion of IPL’s issuance of $250.0 million of senior debentures in 2013. A portion of the proceeds from the issuance was used by IPL in 2013 to reduce cash proceeds received from the third party under its sales of accounts receivable program.

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections reinvested in receivables</td>
<td>$1,880.8</td>
<td>$1,771.6</td>
<td>$1,795.7</td>
</tr>
<tr>
<td>Credit losses, net of recoveries</td>
<td>11.9</td>
<td>10.0</td>
<td>10.9</td>
</tr>
</tbody>
</table>

(b) Whiting Petroleum Tax Sharing Agreement - Prior to an IPO of Whiting Petroleum in 2003, Alliant Energy and Whiting Petroleum entered into a tax separation and indemnification agreement pursuant to which Alliant Energy and Whiting Petroleum made tax elections. These tax elections had the effect of increasing the tax basis of the assets of Whiting Petroleum’s consolidated tax group based on the sales price of Whiting Petroleum’s shares in the IPO. The increase in the tax basis of the assets was included in income in Alliant Energy’s U.S. federal income tax return for the calendar year 2003. Pursuant to the tax separation and indemnification agreement, Whiting Petroleum will be obligated to pay Resources 90% of any tax benefits realized annually due to the additional tax deductions from the increase in tax basis for years ending on or prior to December 31, 2013. Such tax benefits will generally be calculated by comparing Whiting Petroleum’s actual taxes to the taxes that would have been owed by Whiting Petroleum had the increase in basis not occurred. In 2014, Whiting Petroleum will be obligated to pay Resources the present value of the remaining tax benefits assuming all such tax benefits will be realized in future years. At the IPO closing date, Alliant Energy recorded a receivable from Whiting Petroleum based on the estimated present value of the payments expected from Whiting Petroleum. At December 31, the carrying values of this receivable were recorded on the Consolidated Balance Sheets as follows (in millions):
Prepayments and other $25 $2
Deferred charges and other — 25

$25 $27

(c) Advances for Customer Energy Efficiency Projects - WPL and IPL have historically offered energy efficiency programs to certain of their customers in Wisconsin and Minnesota, respectively. The energy efficiency programs have provided low-cost financing to help customers identify, purchase and install energy efficiency improvement projects. The customers repay WPL and IPL with monthly payments over a term up to 5 years. The advances for and collections of customer energy efficiency projects are presented as investing activities in the Consolidated Statements of Cash Flows. The current portion and non-current portion of outstanding advances for customer energy efficiency projects are recorded in “Accounts receivable - other” and “Deferred charges and other,” respectively, on the Consolidated Balance Sheets. At December 31, outstanding advances for customer energy efficiency projects were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion</td>
<td>$8.2</td>
<td>$14.9</td>
<td>$7.8</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>7.3</td>
<td>13.0</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>$15.5</td>
<td>$27.9</td>
<td>$14.9</td>
</tr>
</tbody>
</table>

(d) Franklin County Wind Project Cash Grant - The American Recovery and Reinvestment Act of 2009 provides incentives for wind projects placed into service between January 1, 2009 and December 31, 2012. In accordance with the American Recovery and Reinvestment Act of 2009, Alliant Energy filed an application with the U.S. Department of the Treasury in February 2013 requesting a cash grant for a portion of the qualifying project expenditures of the Franklin County wind project that was placed into service in December 2012. Alliant Energy elected to record the anticipated cash grant as a reduction of the carrying value of the Franklin County wind project, which resulted in a decrease of $62 million in “Property, plant and equipment - Non-regulated Generation” on the Consolidated Balance Sheet in 2012. In 2013, Alliant Energy received the proceeds from the cash grant, resulting in a $62.4 million decrease in “Accounts receivable - other” on the Consolidated Balance Sheets in 2013. The grant proceeds were used by Alliant Energy to reduce short-term borrowings incurred during the construction of the wind project.

(6) INVESTMENTS

(a) Unconsolidated Equity Investments - Alliant Energy’s unconsolidated investments accounted for under the equity method of accounting are as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Value at December 31, 2013</td>
<td>$272.1</td>
<td>$257.0</td>
<td>($42.7)</td>
</tr>
<tr>
<td>Equity (Income) / Loss 2013</td>
<td>($41.3)</td>
<td>($37.8)</td>
<td></td>
</tr>
<tr>
<td>Ownership Interest 2013</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Carrying Value at December 31, 2012</td>
<td>$257.0</td>
<td>$266.6</td>
<td>($43.7)</td>
</tr>
<tr>
<td>Equity (Income) / Loss 2012</td>
<td>($41.3)</td>
<td>($39.3)</td>
<td></td>
</tr>
<tr>
<td>Ownership Interest 2012</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Equity (Income) / Loss 2011</td>
<td>(0.6)</td>
<td>(0.6)</td>
<td></td>
</tr>
<tr>
<td>Ownership Interest 2011</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

(a) Alliant Energy has the ability to exercise significant influence over ATC’s financial and operating policies through its participation on ATC’s Board of Directors. Refer to Note 18 for information regarding related party transactions with ATC.
Summary aggregate financial information from the financial statements of these investments is as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$634</td>
<td>$611</td>
<td>$575</td>
</tr>
<tr>
<td>Operating income</td>
<td>334</td>
<td>326</td>
<td>307</td>
</tr>
<tr>
<td>Net income</td>
<td>248</td>
<td>234</td>
<td>218</td>
</tr>
</tbody>
</table>

As of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>86</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>3,553</td>
<td>3,321</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>383</td>
<td>252</td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,682</td>
<td>1,652</td>
<td></td>
</tr>
</tbody>
</table>

(b) Cash Surrender Value of Life Insurance Policies - Alliant Energy, IPL and WPL have various life insurance policies that cover current and former employees and directors. At December 31, 2013 and 2012, the cash surrender value of these investments was $46.5 million and $50.5 million, respectively.

(7) COMMON EQUITY

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding, January 1</td>
<td>110,987,400</td>
<td>111,018,821</td>
<td>110,893,901</td>
</tr>
<tr>
<td>Equity-based compensation plans (Note 12(b))</td>
<td>(23,374)</td>
<td>20,195</td>
<td>164,400</td>
</tr>
<tr>
<td>Other</td>
<td>(20,357)</td>
<td>(51,616)</td>
<td>(39,480)</td>
</tr>
<tr>
<td>Shares outstanding, December 31</td>
<td>110,943,669</td>
<td>110,987,400</td>
<td>111,018,821</td>
</tr>
</tbody>
</table>

At December 31, 2013, Alliant Energy had a total of 6.9 million shares available for issuance in the aggregate, pursuant to its OIP, Shareowner Direct Plan and 401(k) Savings Plan.

Shareowner Rights Agreement - Alliant Energy has established an amended and restated Shareowner Rights Agreement. The rights under this agreement will only become exercisable if a person or group has acquired, or announced an intention to acquire, 15% or more of Alliant Energy’s outstanding common stock. Each right will initially entitle registered shareowners to purchase from Alliant Energy one-half of one share of Alliant Energy’s common stock. The rights will be exercisable at an initial price of $110.00 per full share, subject to adjustment. If any shareowner acquires 15% or more of the outstanding common stock of Alliant Energy, each right (subject to limitations) will entitle its holder to purchase, at the right’s then current exercise price, a number of common shares of Alliant Energy or of the acquirer having a market value at the time of twice the right’s per full share exercise price. Alliant Energy’s Board of Directors is authorized to reduce the 15% ownership threshold to not less than 10%. The amended and restated Shareowner Rights Agreement expires in December 2018.

Dividend Restrictions - Alliant Energy does not have any significant common stock dividend restrictions. IPL and WPL each have common stock dividend restrictions based on applicable regulatory limitations. IPL also has common stock dividend restrictions based on the terms of its outstanding preferred stock. As of December 31, 2013, IPL and WPL were in compliance with all such dividend restrictions.

IPL is restricted from paying common stock dividends to its parent company, Alliant Energy, if for any past or current dividend period, dividends on its preferred stock have not been paid, or declared and set apart for payment. IPL has paid all dividends on its preferred stock through 2013.

IPL’s most significant regulatory limitation on distributions to its parent company requires IPL to obtain IUB approval for a reasonable utility capital structure if its actual 13-month average common equity ratio (calculated on a financial basis consistent with IPL’s rate cases) falls below 42% of total capitalization. As of December 31, 2013, IPL’s amount of retained earnings that were free of dividend restrictions was $494 million.

Currently, WPL’s most significant regulatory limitation on distributions to its parent company is included in an order issued by the PSCW in 2012 that prohibits WPL from paying annual common stock dividends in excess of $119 million in 2014 if WPL’s actual 13-month average common equity ratio (calculated on a financial basis consistent with WPL’s rate cases) would fall below 51.03%. As of December 31, 2013, WPL’s amount of retained earnings that were free of dividend restrictions was $119 million for 2014.
**Restricted Net Assets of Subsidiaries** - IPL and WPL do not have regulatory authority to lend or advance any amounts to their parent company. As of December 31, 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 as follows (in billions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL</td>
<td>$1.2</td>
<td>$1.1</td>
</tr>
<tr>
<td>WPL</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

(8) **REDEEMABLE PREFERRED STOCK**

Information related to the carrying value of cumulative preferred stock, net at December 31 was as follows (dollars in millions):

<table>
<thead>
<tr>
<th>Liquidation Preference/ Stated Value</th>
<th>Shares Outstanding</th>
<th>Series</th>
<th>Redemption (none are mandatorily redeemable)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL (16,000,000 shares authorized):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25</td>
<td>8,000,000</td>
<td>5.1%</td>
<td>On or after March 15, 2018</td>
<td>$200.0</td>
<td>$—</td>
</tr>
<tr>
<td>$25</td>
<td>6,000,000</td>
<td>8.375%</td>
<td>(a)</td>
<td>—</td>
<td>150.0</td>
</tr>
<tr>
<td>Less: discount</td>
<td>—</td>
<td>—</td>
<td></td>
<td>200.0</td>
<td>145.1</td>
</tr>
<tr>
<td>WPL (16,000,000 and 3,750,000 shares authorized as of December 31, 2013 and 2012, respectively):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25 to $100</td>
<td>1,049,225</td>
<td>4.40-6.50%</td>
<td></td>
<td>—</td>
<td>60.0</td>
</tr>
<tr>
<td>Alliant Energy</td>
<td></td>
<td></td>
<td></td>
<td>$200.0</td>
<td>$205.1</td>
</tr>
</tbody>
</table>

(a) In 2013, IPL redeemed all 6,000,000 outstanding shares of its 8.375% cumulative preferred stock for $150 million plus accrued and unpaid dividends to the redemption date. Alliant Energy recorded a $5 million charge in 2013 related to this transaction in “Preferred dividend requirements” in the Consolidated Statement of Income.

(b) In 2013, WPL redeemed all 1,049,225 outstanding shares of its 4.40% through 6.50% cumulative preferred stock for $61 million plus accrued and unpaid dividends to the redemption date. Alliant Energy recorded a $1 million charge in 2013 related to this transaction in “Preferred dividend requirements” in the Consolidated Statement of Income.

**IPL** - In 2013, IPL issued 8,000,000 shares of 5.1% cumulative preferred stock and received proceeds of $200 million. The proceeds were used by IPL to redeem its 8.375% cumulative preferred stock, reduce commercial paper classified as long-term debt by $40 million and for other general corporate purposes. Alliant Energy incurred $5 million of issuance costs related to this transaction, which were recorded as a reduction of “Additional paid-in capital” on the Consolidated Balance Sheets in 2013. On or after March 15, 2018, IPL may, at its option, redeem the 5.1% cumulative preferred stock for cash at a redemption price of $25 per share plus accrued and unpaid dividends up to the redemption date.

The current articles of incorporation of IPL contain a provision that grants the holders of its cumulative preferred stock voting rights to elect two members of IPL’s Board of Directors if preferred dividends equal to six or more quarterly dividend requirements (whether or not consecutive) are in arrears. Such voting rights would not provide the holders of IPL’s preferred stock control of the decision on redemption of IPL’s preferred stock and could not force IPL to exercise its call option. The articles of incorporation of IPL in effect as of December 31, 2012 contained similar provisions as the current articles of incorporation of IPL. Therefore, IPL’s 5.1% and 8.375% cumulative preferred stock were presented in total equity on the Consolidated Balance Sheets in a manner consistent with noncontrolling interests.

**WPL** - The articles of organization of WPL in effect as of December 31, 2012 contained a provision that granted the holders of its preferred stock voting rights to elect a majority of WPL’s Board of Directors if preferred dividends equal to the annual dividend requirements were in arrears. The exercise of such voting rights would have provided the holders of WPL’s preferred stock control of the decision on redemption of WPL’s preferred stock and could have forced WPL to exercise its call option. Therefore, the contingent control right and the embedded call option caused WPL’s preferred stock to be presented outside of total equity on the Consolidated Balance Sheet at December 31, 2012 in a manner consistent with temporary equity.

Refer to Note 14 for information on the fair value of cumulative preferred stock.
**DEBT**

(a) **Short-term Debt** - Alliant Energy and its subsidiaries maintain committed bank lines of credit to provide short-term borrowing flexibility and back-stop liquidity for commercial paper outstanding. At December 31, 2013, Alliant Energy’s short-term borrowing arrangements included three revolving credit facilities totaling $1 billion ($300 million for Alliant Energy at the parent company level, $300 million for IPL and $400 million for WPL), which expire in December 2017. Information regarding commercial paper classified as short-term debt and back-stopped by the credit facilities was as follows (dollars in millions):

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial paper:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount outstanding</td>
<td>$279.4</td>
<td>$217.5</td>
<td>$—</td>
</tr>
<tr>
<td>Weighted average interest rates</td>
<td>0.2%</td>
<td>0.4%</td>
<td>N/A</td>
</tr>
<tr>
<td>Weighted average remaining maturity</td>
<td>4 days</td>
<td>11 days</td>
<td>N/A</td>
</tr>
<tr>
<td>Available credit facility capacity (a)</td>
<td>$720.6</td>
<td>$732.5</td>
<td>$300.0</td>
</tr>
<tr>
<td></td>
<td>$183.7</td>
<td>$86.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$190.0</td>
<td>$86.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$123.5</td>
<td>$11.7</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum amount outstanding (based on daily outstanding balances)</td>
<td>$293.9</td>
<td>$217.5</td>
<td>$26.3</td>
</tr>
<tr>
<td>Average amount outstanding (based on daily outstanding balances)</td>
<td>$210.5</td>
<td>$99.8</td>
<td>$1.3</td>
</tr>
<tr>
<td>Weighted average interest rates</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

(a) At December 31, 2012, Alliant Energy’s and IPL’s available credit facility capacities reflect outstanding commercial paper classified as both short- and long-term debt. Refer to Note 9(b) for further discussion of $50.0 million of commercial paper outstanding at December 31, 2012 classified as long-term debt on the Consolidated Balance Sheet. There was no commercial paper classified as long-term debt as of December 31, 2013.

Alliant Energy’s, IPL’s and WPL’s credit facility agreements each contain a financial covenant, which requires the entities to maintain certain debt-to-capital ratios in order to borrow under the credit facilities. The required debt-to-capital ratios compared to the actual debt-to-capital ratios at December 31, 2013 were as follows:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Alliant Energy</th>
<th>IPL</th>
<th>WPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Less than 65%</td>
<td>Less than 58%</td>
<td>Less than 58%</td>
</tr>
<tr>
<td></td>
<td>51%</td>
<td>45%</td>
<td>50%</td>
</tr>
</tbody>
</table>

The debt component of the capital ratios includes long- and short-term debt (excluding non-recourse debt and hybrid securities to the extent the total carrying value of such hybrid securities does not exceed 15% of consolidated capital of the applicable borrower), capital lease obligations, certain letters of credit, guarantees of the foregoing and new synthetic leases. Unfunded vested benefits under qualified pension plans are not included in the debt-to-capital ratios. The equity component of the capital ratios excludes accumulated other comprehensive income (loss).
### (b) Long-Term Debt - Long-term debt, net as of December 31 was as follows (dollars in millions):

<table>
<thead>
<tr>
<th>Senior Debentures:</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3%, due 2015</td>
<td>$150.0</td>
<td>$150.0</td>
</tr>
<tr>
<td>5.875%, due 2018</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>7.2%, due 2018</td>
<td>250.0</td>
<td>250.0</td>
</tr>
<tr>
<td>3.63%, due 2020</td>
<td>200.0</td>
<td>200.0</td>
</tr>
<tr>
<td>5.5%, due 2025</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>6.45%, due 2033</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>6.3%, due 2034</td>
<td>125.0</td>
<td>125.0</td>
</tr>
<tr>
<td>6.25%, due 2039</td>
<td>300.0</td>
<td>300.0</td>
</tr>
<tr>
<td>4.7%, due 2043(a)</td>
<td>250.0</td>
<td>250.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,525.0</strong></td>
<td><strong>1,525.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debentures:</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%, due 2019</td>
<td>250.0</td>
<td>250.0</td>
</tr>
<tr>
<td>4.6%, due 2020</td>
<td>150.0</td>
<td>150.0</td>
</tr>
<tr>
<td>2.25%, due 2022</td>
<td>250.0</td>
<td>250.0</td>
</tr>
<tr>
<td>6.25%, due 2034</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>6.375%, due 2037</td>
<td>300.0</td>
<td>300.0</td>
</tr>
<tr>
<td>7.6%, due 2038</td>
<td>250.0</td>
<td>250.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,300.0</strong></td>
<td><strong>1,300.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pollution Control Revenue Bonds:</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%, due 2014</td>
<td>38.4</td>
<td>38.4</td>
</tr>
<tr>
<td>5%, due 2014 and 2015</td>
<td>24.5</td>
<td>24.5</td>
</tr>
<tr>
<td>5.375%, due 2015</td>
<td>14.6</td>
<td>14.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77.5</strong></td>
<td><strong>77.5</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other:</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper, 0.4% at December 31, 2012(b)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>4% senior notes, due 2014</td>
<td>250.0</td>
<td>250.0</td>
</tr>
<tr>
<td>Term loan credit agreement through 2014, 1% at December 31, 2013</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>3.45% senior notes, due 2022</td>
<td>75.0</td>
<td>75.0</td>
</tr>
<tr>
<td>5.0% senior secured notes, due 2014 to 2024</td>
<td>60.5</td>
<td>61.9</td>
</tr>
<tr>
<td>Other, 1% at December 31, 2013, due 2014 to 2025</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>445.9</strong></td>
<td><strong>497.4</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subtotal</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>3,348.4</strong></td>
<td><strong>1,563.4</strong></td>
</tr>
<tr>
<td>Current maturities</td>
<td>(358.5)</td>
<td>(38.4)</td>
</tr>
<tr>
<td>(8.5)</td>
<td>(1.5)</td>
<td>—</td>
</tr>
<tr>
<td>Unamortized debt (discount) and premium, net</td>
<td>(12.1)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>(7.0)</td>
<td>(11.8)</td>
<td>(3.9)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,977.8</strong></td>
<td><strong>$1,520.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long-term debt, net</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$2,977.8</strong></td>
<td><strong>$1,520.0</strong></td>
</tr>
</tbody>
</table>

(a) In 2013, IPL issued $250.0 million of 4.7% senior debentures due 2043. The proceeds from the issuance were used by IPL to reduce cash proceeds received from its sales of accounts receivable program, reduce commercial paper classified as long-term debt by $65 million and for general working capital purposes.

(b) At December 31, 2012, $50.0 million of commercial paper was recorded in “Long-term debt, net” on the Consolidated Balance Sheet due to the existence of long-term credit facilities that back-stop this commercial paper balance, along with Alliant Energy’s intent and ability to refinance these balances on a long-term basis.

### Five-Year Schedule of Debt Maturities - At December 31, 2013, debt maturities for 2014 through 2018 were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPL</td>
<td>$38</td>
<td>$150</td>
<td>$—</td>
<td>$—</td>
<td>$350</td>
</tr>
<tr>
<td>WPL</td>
<td>9</td>
<td>31</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td>Resources</td>
<td>62</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Alliant Energy parent company</td>
<td>250</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td>Alliant Energy</td>
<td>$359</td>
<td>$183</td>
<td>$3</td>
<td>$4</td>
<td>$355</td>
</tr>
</tbody>
</table>

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At December 31, 2013, there were no significant sinking fund requirements related to the long-term debt on the Consolidated Balance Sheet.

**Indentures** - Alliant Energy maintains an indenture related to its 4% senior notes due 2014. IPL maintains an indenture related to its senior debentures due 2015 through 2043. WPL maintains an indenture related to its debentures due 2019 through 2038. Sheboygan Power, LLC, Resources’ wholly-owned subsidiary, maintains an indenture related to the issuance of its 5.06% senior secured notes due 2014 to 2024.

**Optional Redemption Provisions** - Alliant Energy and its subsidiaries have certain issuances of long-term debt that contain optional redemption provisions which, if elected by the issuer at its sole discretion, could require material redemption premium payments by the issuer. The redemption premium payments under these optional redemption provisions are variable and dependent on applicable U.S. Treasury rates at the time of redemption. At December 31, 2013, the debt issuances that contained these optional redemption provisions included all of IPL’s outstanding senior debentures, all of WPL’s outstanding debentures, Alliant Energy’s senior notes due 2014, Corporate Services’ senior notes due 2022 and Sheboygan Power, LLC’s senior secured notes due 2014 to 2024.

**Security Provisions** - Sheboygan Power, LLC’s 5.06% senior secured notes due 2014 to 2024 are secured by Sheboygan Falls and related assets.

**Unamortized Debt Issuance Costs** - Unamortized debt issuance costs recorded in “Deferred charges and other” on the Consolidated Balance Sheets at December 31, 2013 and 2012 were $19.9 million and $19.5 million, respectively.

**Carrying Amount and Fair Value of Long-term Debt** - Refer to Note 14 for information on the carrying amount and fair value of long-term debt outstanding at December 31, 2013 and 2012.

(10) OPERATING LEASES
Alliant Energy has entered into various agreements related to property, plant and equipment rights that are accounted for as operating leases. Historically, Alliant Energy’s most significant operating lease related to the Riverside PPA, which contained fixed rental payments related to capacity and contingent rental payments related to the energy portion (actual MWhs) of the PPA. Costs associated with the Riverside PPA were included in “Electric production fuel and energy purchases” and “Purchased electric capacity” in the Consolidated Statements of Income based on monthly payments for the Riverside PPA. In December 2012, WPL purchased Riverside, thereby terminating the Riverside PPA. Rental expenses associated with operating leases were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease rental expenses (excluding contingent rentals)</td>
<td>$9</td>
<td>$69</td>
<td>$70</td>
</tr>
<tr>
<td>Contingent rentals (primarily related to the Riverside PPA)</td>
<td></td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9</strong></td>
<td><strong>$75</strong></td>
<td><strong>$75</strong></td>
</tr>
</tbody>
</table>

At December 31, 2013, Alliant Energy’s future minimum operating lease payments, excluding contingent rentals, were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$10</td>
<td>$9</td>
<td>$3</td>
<td>$3</td>
<td>$2</td>
<td>$22</td>
<td>$49</td>
</tr>
</tbody>
</table>
(11) INCOME TAXES

**Income Taxes** - The components of “Income taxes” in the Consolidated Statements of Income were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current tax expense (benefit):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$4.4</td>
<td>($29.3)</td>
<td>$58.6</td>
</tr>
<tr>
<td>State</td>
<td>(3.6)</td>
<td>11.6</td>
<td>15.7</td>
</tr>
<tr>
<td>IPL’s tax benefit riders</td>
<td>(52.9)</td>
<td>(48.3)</td>
<td>(35.9)</td>
</tr>
<tr>
<td><strong>Deferred tax expense (benefit):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>123.9</td>
<td>157.8</td>
<td>99.0</td>
</tr>
<tr>
<td>State</td>
<td>15.6</td>
<td>23.9</td>
<td>(16.8)</td>
</tr>
<tr>
<td>Production tax credits</td>
<td>(31.0)</td>
<td>(24.8)</td>
<td>(27.1)</td>
</tr>
<tr>
<td>Investment tax credits</td>
<td>(1.6)</td>
<td>(1.7)</td>
<td>(1.8)</td>
</tr>
<tr>
<td><strong>Provision recorded as a change in uncertain tax positions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>—</td>
<td>8.0</td>
<td>16.3</td>
</tr>
<tr>
<td>Deferred</td>
<td>(0.4)</td>
<td>(7.6)</td>
<td>(38.3)</td>
</tr>
<tr>
<td><strong>Provision recorded as a change in accrued interest</strong></td>
<td>(0.5)</td>
<td>(0.2)</td>
<td>(0.5)</td>
</tr>
<tr>
<td></td>
<td>$53.9</td>
<td>$89.4</td>
<td>$69.2</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory federal income tax rate</strong></td>
<td>35.0%</td>
<td>35.0%</td>
<td>35.0%</td>
</tr>
<tr>
<td>State income taxes, net of federal benefits</td>
<td>5.7</td>
<td>5.7</td>
<td>4.6</td>
</tr>
<tr>
<td>IPL’s tax benefit riders</td>
<td>(12.1)</td>
<td>(11.2)</td>
<td>(8.8)</td>
</tr>
<tr>
<td>Production tax credits</td>
<td>(7.1)</td>
<td>(5.8)</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Effect of rate-making on property-related differences</td>
<td>(6.0)</td>
<td>(5.0)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Adjustment of prior period taxes</td>
<td>(1.3)</td>
<td>—</td>
<td>0.2</td>
</tr>
<tr>
<td>State apportionment change due to announced sale of RMT</td>
<td>—</td>
<td>3.5</td>
<td>—</td>
</tr>
<tr>
<td>Wisconsin tax legislation</td>
<td>—</td>
<td>—</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Other items, net</td>
<td>(1.8)</td>
<td>(1.4)</td>
<td>(0.9)</td>
</tr>
<tr>
<td><strong>Overall income tax rate</strong></td>
<td>12.4%</td>
<td>20.8%</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

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

**Production tax credits** - Alliant Energy earns production tax credits from the wind projects it owns and operates. Production tax credits are based on the electricity generated by each wind project during the first 10 years of operation. 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 2008; IPL’s 200 MW Whispering Willow - East wind project, which began generating electricity in 2009; and WPL’s 201 MW Bent Tree - Phase I wind project, which began generating electricity in 2010. Production tax credits (net of state tax impacts) resulting from these wind projects are included in the table below (in millions). Production tax credits for the Whispering Willow - East and Bent Tree - Phase I wind projects increased in 2013 primarily due to higher levels of electricity output generated by the wind projects.
Effect of rate-making on property-related differences - Alliant Energy’s income tax expense and benefits are impacted by certain property-related differences at IPL for which deferred tax is not recognized in the income statement pursuant to Iowa rate-making principles. In 2012, the IRS audit to review the change in accounting method for allocation of mixed service costs and repairs expenditures was completed. Prior to 2012, tax expense and benefits at IPL related to mixed service costs and repairs expenditures book-to-tax differences were recorded in the tax benefit riders regulatory liability. Upon completion of the IRS audit, the tax expenses and benefits related to mixed service costs and repairs expenditures at IPL were recorded as a component of income tax expense beginning in 2012 pursuant to Iowa rate-making principles. The impact of the change in tax accounting methods for allocation of mixed service costs and repairs expenditures at IPL resulted in an increase in tax benefits for Alliant Energy in 2012. In 2013, the primary factor contributing to the increase in the current tax benefits recorded for the effect of rate-making on property-related differences was increased repairs expenditures and the equity component of AFUDC at IPL. Refer to Note 2 for additional details on IPL’s tax benefit riders.

State apportionment change due to announced sale of RMT - Alliant Energy utilizes state apportionment projections to record its 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 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 groups, including both its regulated and its non-regulated operations. In the first quarter of 2012, Alliant Energy recorded $15 million of deferred income tax expense due to changes in state apportionment projections caused by the announced sale of its RMT business.

Wisconsin tax legislation - In 2011, 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 would 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 2011.
Deferred Tax Assets and Liabilities - The deferred income tax (assets) and liabilities included on the Consolidated Balance Sheets at December 31 arise from the following temporary differences (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deferred Tax</td>
<td>Deferred Tax</td>
</tr>
<tr>
<td></td>
<td>Assets</td>
<td>Liabilities</td>
</tr>
<tr>
<td>Property</td>
<td>$—</td>
<td>$2,316.3</td>
</tr>
<tr>
<td>Investment in ATC</td>
<td>—</td>
<td>120.7</td>
</tr>
<tr>
<td>Net operating losses carryforward - state</td>
<td>(35.3)</td>
<td>(35.3)</td>
</tr>
<tr>
<td>Regulatory liability - IPL’s tax benefit riders</td>
<td>(107.8)</td>
<td>(107.8)</td>
</tr>
<tr>
<td>Federal credit carryforward</td>
<td>(167.8)</td>
<td>(167.8)</td>
</tr>
<tr>
<td>Net operating losses carryforward - federal</td>
<td>(251.9)</td>
<td>(251.9)</td>
</tr>
<tr>
<td>Other</td>
<td>(108.9)</td>
<td>210.7</td>
</tr>
<tr>
<td>Subtotal</td>
<td>(671.7)</td>
<td>2,647.7</td>
</tr>
<tr>
<td>Valuation allowances</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>(671.7)</td>
<td>$2,647.7</td>
</tr>
</tbody>
</table>

|                      | 2013          | 2012          |
|                      | Net           | Net           |
|                      |               |               |
|                      | $2,316.3      | $2,143.8      |
| Property             | $120.7        | 104.3         |
| Investment in ATC    |               |               |
| Net operating losses carryforward - state | (35.3)       | (46.8)        |
| Regulatory liability - IPL’s tax benefit riders | (107.8)       | (144.6)       |
| Federal credit carryforward | (167.8)       | (133.8)       |
| Net operating losses carryforward - federal | (251.9)       | (306.0)       |
| Other                | (108.9)       | 210.7         |
| Subtotal             | (744.9)       | 2,507.0       |
| Valuation allowances | —             | —             |
|                      | (743.0)       | $2,507.0      |

Property - Property-related differences were primarily related to accelerated depreciation, including bonus depreciation. In January 2013, the ATR Act was enacted. The most significant provisions of the ATR Act for Alliant Energy are related to the extension of bonus depreciation deductions for certain expenditures for property that were incurred through December 31, 2013. Based on property expenditures incurred in 2013, Alliant Energy currently estimates its total bonus depreciation deductions to be claimed on its U.S. federal income tax return for calendar year 2013 will be approximately $130 million ($70 million for IPL and $45 million for WPL).

Investment in ATC - WPL has a partial ownership interest in ATC, which has generated deferred tax liabilities primarily from tax depreciation deductions taken at ATC in excess of book depreciation. The increase in deferred tax liabilities in 2013 was primarily due to bonus depreciation deductions estimated at ATC.

Carryforwards - At December 31, 2013, tax carryforwards and associated deferred tax assets and expiration dates were estimated as follows (in millions):

<table>
<thead>
<tr>
<th>Tax Carryforwards</th>
<th>Deferred Tax Assets</th>
<th>Earliest Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal net operating losses</td>
<td>$735</td>
<td>$252</td>
</tr>
<tr>
<td>State net operating losses</td>
<td>686</td>
<td>35</td>
</tr>
<tr>
<td>Federal tax credits</td>
<td>170</td>
<td>168</td>
</tr>
</tbody>
</table>

$455

At December 31, 2013, Alliant Energy’s state net operating losses carryforwards had expiration dates ranging from 2018 to 2031 with 98% expiring after 2024.

Regulatory liability - tax benefit riders - Refer to Note 2 for discussion of regulatory liabilities associated with IPL’s tax benefit riders.

Uncertain Tax Positions - A reconciliation of the beginning and ending amounts of uncertain tax positions, excluding interest, is as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, January 1</td>
<td>$0.7</td>
<td>$23.5</td>
<td>$66.7</td>
</tr>
<tr>
<td>Additions based on tax positions related to the current year</td>
<td>—</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Reductions for tax positions of prior years (a)</td>
<td>(0.7)</td>
<td>(23.5)</td>
<td>(43.9)</td>
</tr>
<tr>
<td>Balance, December 31</td>
<td>$—</td>
<td>$0.7</td>
<td>$23.5</td>
</tr>
</tbody>
</table>

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(a) In 2012, the reductions for tax positions of prior years were due to the finalization of Alliant Energy’s federal income tax return audits for calendar years 2005 through 2009. In 2011, the reductions for tax positions of prior years were related to guidance published by the IRS clarifying the treatment of repairs expenditures for electric distribution property.

At December 31, 2013, 2012 and 2011, there were no penalties accrued related to uncertain tax positions, and interest accrued and tax positions favorably impacting future effective tax rates for continuing operations were not material. As of December 31, 2013, Alliant Energy does not expect to have material changes to its unrecognized tax benefits during the next 12 months.

**Open tax years** - Tax years that remain subject to the statute of limitations in the major jurisdictions are as follows:

<table>
<thead>
<tr>
<th>Tax Return Type</th>
<th>Years Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated federal income tax returns (a)</td>
<td>2010 - 2012</td>
</tr>
<tr>
<td>Consolidated Iowa income tax returns (b)</td>
<td>2010 - 2012</td>
</tr>
<tr>
<td>Wisconsin combined tax returns (c)</td>
<td>2009 - 2012</td>
</tr>
</tbody>
</table>

(a) 2010 through 2012 federal tax returns are effectively settled as a result of participation in the IRS Compliance Assurance Program, which allows Alliant Energy and the IRS to work together to resolve issues related to Alliant Energy’s current tax year before filing its federal income tax return. The statute of limitations for 2010 through 2012 federal tax returns expires three years from their respective filing dates.

(b) The statute of limitations for the 2010 through 2012 Iowa tax returns expires three years from their respective filing dates.

(c) The statute of limitations for the 2009 through 2012 Wisconsin combined tax returns expires four years from their respective filing dates.

(12) **BENEFIT PLANS**

(a) **Pension and Other Postretirement Benefits Plans** - Alliant Energy provides retirement benefits to substantially all of its employees through various qualified and non-qualified non-contributory defined benefit pension plans, and/or through defined contribution plans (including 401(k) savings plans). Alliant Energy’s qualified and non-qualified non-contributory defined benefit pension plans are currently closed to new hires. Benefits of the non-contributory defined benefit pension plans are based on the plan participant’s years of service, age and compensation. Benefits of the defined contribution plans are based on the plan participant’s years of service, age, compensation and contributions. Alliant Energy also provides certain defined benefit postretirement health care and life benefits to eligible retirees. In general, the retiree health care plans consist of fixed benefit subsidy structures and the retiree life insurance plans are non-contributory.

**Assumptions** - The assumptions for defined benefit pension and other postretirement benefits plans at the measurement date of December 31 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate for benefit obligations</td>
<td>4.97%</td>
<td>4.11%</td>
</tr>
<tr>
<td>Discount rate for net periodic cost</td>
<td>4.11%</td>
<td>4.86%</td>
</tr>
<tr>
<td>Expected rate of return on plan assets</td>
<td>7.60%</td>
<td>7.90%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>3.50% - 4.50%</td>
<td>3.50% - 4.50%</td>
</tr>
<tr>
<td>Medical cost trend on covered charges:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial trend rate (end of year)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Ultimate trend rate</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Expected rate of return on plan assets** - The expected rate of return on plan assets is determined by analysis of projected asset class returns based on the target asset class allocations. Alliant Energy uses a forward-looking building blocks approach and also reviews historical returns, survey information and capital market information to support the expected rate of return on plan assets assumption. Refer to “Investment Policy and Strategy for Plan Assets” below for additional information related to Alliant Energy’s investment policy and strategy and mix of assets for the pension and other postretirement benefits plans.
Medical cost trend on covered charges - The assumed medical trend rates are assumptions used in determining the service and interest cost and accumulated postretirement benefit obligation related to postretirement benefits costs. A 1% change in the medical trend rates for 2013, holding all other assumptions constant, would have the following effects (in millions):

<table>
<thead>
<tr>
<th>Effect on total of service and interest cost components</th>
<th>1% Increase</th>
<th>1% Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect on postretirement benefit obligation</td>
<td>2.4</td>
<td>(2.2)</td>
</tr>
</tbody>
</table>

Net Periodic Benefit Costs (Credits) - The components of net periodic benefit costs (credits) for sponsored defined benefit pension and other postretirement benefits plans are as follows (in millions):

<table>
<thead>
<tr>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$15.7</td>
<td>$13.5</td>
<td>$11.4</td>
</tr>
<tr>
<td>Interest cost</td>
<td>49.0</td>
<td>51.6</td>
</tr>
<tr>
<td>Expected return on plan assets (a)</td>
<td>(74.0)</td>
<td>(68.8)</td>
</tr>
<tr>
<td>Amortization of prior service cost (credit) (b)</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Amortization of actuarial loss (c)</td>
<td>36.2</td>
<td>33.3</td>
</tr>
<tr>
<td>Additional benefit costs (d) (e)</td>
<td>9.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Settlement losses (f)</td>
<td>—</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$36.1</td>
<td>$35.4</td>
</tr>
</tbody>
</table>

(a) The expected return on plan assets is based on the expected rate of return on plan assets and the fair value approach to the market-related value of plan assets.

(b) Unrecognized prior service costs (credits) for the postretirement benefits plans are amortized over the average future service period to full eligibility of the participants of each plan.

(c) Unrecognized net actuarial gains or losses in excess of 10% of the greater of the plans’ benefit obligations or assets are amortized over the average future service lives of plan participants, except for the Cash Balance Plan where gains or losses outside the 10% threshold are amortized over the time period the participants are expected to receive benefits.

(d) In 2013, Alliant Energy filed a stipulation agreement with the Court related to the class-action lawsuit against the Cash Balance Plan. As a result, Alliant Energy recognized $9.0 million of additional benefits costs in 2013 related to the agreement. Refer to Note 16(c) for additional information regarding the Cash Balance Plan.

(e) Alliant Energy reached an agreement with the IRS, which resulted in a favorable determination letter for the Cash Balance Plan in 2011. The agreement with the IRS required Alliant Energy to amend the Cash Balance Plan, which was completed in 2011 resulting in aggregate additional benefits of $10.2 million paid by Alliant Energy to certain former participants in the Cash Balance Plan in 2011. Alliant Energy recognized $10.2 million of additional benefits costs in 2011 related to these benefits. Refer to Note 16(c) for additional information regarding the Cash Balance Plan.

(f) Settlement losses related to payments made to retired executives of Alliant Energy.

The estimated amortization from “Regulatory assets,” “Regulatory liabilities” and AOCL on the Consolidated Balance Sheet into net periodic benefit cost in 2014 is as follows (in millions):

<table>
<thead>
<tr>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial loss</td>
<td>$19.5</td>
<td>$2.4</td>
</tr>
<tr>
<td>Prior service credit</td>
<td>—</td>
<td>(11.9)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$19.5</td>
<td>($9.5)</td>
</tr>
</tbody>
</table>
**Benefit Plan Assets and Obligations** - A reconciliation of the funded status of qualified and non-qualified defined benefit pension and other postretirement benefits plans to the amounts recognized on the Consolidated Balance Sheets at December 31 was as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Change in projected benefit obligation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net projected benefit obligation at January 1</td>
<td>$1,207.5</td>
<td>$223.2</td>
</tr>
<tr>
<td>Service cost</td>
<td>15.7</td>
<td>6.3</td>
</tr>
<tr>
<td>Interest cost</td>
<td>49.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>—</td>
<td>2.6</td>
</tr>
<tr>
<td>Additional benefit costs</td>
<td>9.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Actuarial (gain) loss</td>
<td>(94.1)</td>
<td>(13.2)</td>
</tr>
<tr>
<td>Gross benefits paid</td>
<td>(73.7)</td>
<td>(18.7)</td>
</tr>
<tr>
<td>Net projected benefit obligation at December 31</td>
<td><strong>1,113.4</strong></td>
<td><strong>208.7</strong></td>
</tr>
<tr>
<td>Change in plan assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets at January 1</td>
<td>965.6</td>
<td>123.1</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>128.5</td>
<td>14.4</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>2.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>—</td>
<td>2.6</td>
</tr>
<tr>
<td>Gross benefits paid</td>
<td>(73.7)</td>
<td>(18.7)</td>
</tr>
<tr>
<td>Fair value of plan assets at December 31</td>
<td><strong>1,022.9</strong></td>
<td><strong>124.9</strong></td>
</tr>
<tr>
<td>Under funded status at December 31</td>
<td>(<strong>$90.5</strong>)</td>
<td>(<strong>$83.8</strong> )</td>
</tr>
</tbody>
</table>

Amounts recognized on the Consolidated Balance Sheets consist of:

<table>
<thead>
<tr>
<th></th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>$—</td>
<td>$14.5</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(2.4)</td>
<td>(4.8)</td>
</tr>
<tr>
<td>Pension and other benefit obligations</td>
<td>(88.1)</td>
<td>(100.8)</td>
</tr>
<tr>
<td>Net amount recognized at December 31</td>
<td><strong>($90.5)</strong></td>
<td><strong>($83.8)</strong></td>
</tr>
</tbody>
</table>

Amounts recognized in Regulatory Assets, Regulatory Liabilities and AOCL consist of (a):

<table>
<thead>
<tr>
<th></th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>$348.6</td>
<td>$38.1</td>
</tr>
<tr>
<td>Prior service credit</td>
<td>(7.4)</td>
<td>(28.6)</td>
</tr>
<tr>
<td>Net amount recognized at December 31</td>
<td><strong>$341.2</strong></td>
<td><strong>$9.5</strong></td>
</tr>
</tbody>
</table>

(a) Refer to Note 2 and the Consolidated Statements of Common Equity for amounts recognized in “Regulatory assets” and “AOCL,” respectively, on the Consolidated Balance Sheets. At December 31, 2013 and 2012, $5.1 million and $2.7 million, respectively, of regulatory liabilities were recognized related to other postretirement benefits plans.
Included in the following table are accumulated benefit obligations, aggregate amounts applicable to defined benefit pension and other postretirement benefits plans with accumulated benefit obligations in excess of plan assets, as well as defined benefit pension plans with projected benefit obligations in excess of plan assets as of the December 31 measurement date (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefits Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Accumulated benefit obligations</td>
<td>$1,071.7</td>
<td>$1,155.5</td>
</tr>
<tr>
<td>Plans with accumulated benefit obligations in excess of plan assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated benefit obligations</td>
<td>406.5</td>
<td>1,155.5</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>347.6</td>
<td>965.6</td>
</tr>
<tr>
<td>Plans with projected benefit obligations in excess of plan assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected benefit obligations</td>
<td>1,113.4</td>
<td>1,207.5</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>1,022.9</td>
<td>965.6</td>
</tr>
</tbody>
</table>

**Estimated Future Employer Contributions and Benefit Payments** - Alliant Energy currently estimates that funding for the qualified and non-qualified defined benefit pension and other postretirement benefits plans for 2014 will be $2.4 million and $5.1 million, respectively. Expected benefit payments for the qualified and non-qualified defined benefit plans, which reflect expected future service, as appropriate, are as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit pension benefits</td>
<td>$71.2</td>
<td>$68.0</td>
<td>$66.3</td>
<td>$67.8</td>
<td>$71.2</td>
<td>$378.6</td>
</tr>
<tr>
<td>Other postretirement benefits</td>
<td>17.0</td>
<td>16.7</td>
<td>16.3</td>
<td>16.3</td>
<td>16.7</td>
<td>83.5</td>
</tr>
<tr>
<td></td>
<td>$88.2</td>
<td>$84.7</td>
<td>$82.6</td>
<td>$84.1</td>
<td>$87.9</td>
<td>$462.1</td>
</tr>
</tbody>
</table>

**Investment Policy and Strategy for Plan Assets** - Alliant Energy’s investment policies and strategies employed with respect to assets of defined benefit pension and other postretirement benefits plans are to combine both preservation of principal and prudent and reasonable risk-taking to protect the integrity of plan assets, in order to meet the obligations to plan participants while minimizing benefit costs over the long term. It is recognized that risk and volatility are present with all types of investments. However, risk is mitigated at the total fund level through diversification by asset class including U.S. and international equity and fixed income exposure, global asset and risk parity strategies, the number of individual investments, and sector and industry limits. Global asset and risk parity strategies include investments in global equity, global debt, commodities and currencies.

**Defined Benefit Pension Plans Assets** - For assets of defined benefit pension plans, the mix among asset classes is controlled by asset allocation targets. Historical performance results and future expectations suggest that equity securities will provide higher total investment returns than debt securities over a long-term investment horizon. Consistent with the goals of meeting obligations to plan participants and minimizing benefit costs over the long-term, the defined benefit pension plans have a long-term investment posture more heavily weighted towards equity holdings. The asset allocation is monitored regularly and appropriate steps are taken as needed to rebalance the assets within the prescribed ranges. Alliant Energy also uses an overlay management service to help maintain target allocations and liquidity needs. The overlay manager is authorized to use derivative financial instruments to facilitate this service. For separately managed accounts, prohibited investment vehicles include, but may not be limited to, direct ownership of real estate, margin trading, oil and gas limited partnerships and securities of the managers’ firms or affiliate firms. At December 31, 2013, the current target ranges and actual allocations for defined benefit pension plan assets were as follows:
<table>
<thead>
<tr>
<th></th>
<th>Target Range Allocation</th>
<th>Actual Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and equivalents</td>
<td>—% - 5%</td>
<td>3%</td>
</tr>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. large cap core</td>
<td>8% - 18%</td>
<td>13%</td>
</tr>
<tr>
<td>U.S. large cap value</td>
<td>2.5% - 12.5%</td>
<td>7%</td>
</tr>
<tr>
<td>U.S. large cap growth</td>
<td>2.5% - 12.5%</td>
<td>8%</td>
</tr>
<tr>
<td>U.S. small cap value</td>
<td>—% - 4%</td>
<td>2%</td>
</tr>
<tr>
<td>U.S. small cap growth</td>
<td>—% - 4%</td>
<td>2%</td>
</tr>
<tr>
<td>International - developed markets</td>
<td>7% - 19%</td>
<td>13%</td>
</tr>
<tr>
<td>International - emerging markets</td>
<td>—% - 10%</td>
<td>5%</td>
</tr>
<tr>
<td>Global asset allocation securities</td>
<td>5% - 15%</td>
<td>10%</td>
</tr>
<tr>
<td>Risk parity allocation securities</td>
<td>5% - 15%</td>
<td>9%</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>20% - 40%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Other Postretirement Benefits Plans Assets - Other postretirement benefits plans assets are comprised of specific assets within certain defined benefit pension plans (401(h) assets) as well as assets held in VEBA trusts. The investment policy and strategy of the 401(h) assets mirrors those of the defined benefit pension plans, which are discussed above. For VEBA trusts with assets greater than $5 million, the mix among asset classes is controlled by allocation targets. The asset allocation is monitored regularly and appropriate steps are taken as needed to rebalance the assets within the prescribed ranges. Mutual funds are used to achieve the desired diversification. At December 31, 2013, the current target ranges and actual allocations for VEBA trusts with assets greater than $5 million were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Target Range Allocation</th>
<th>Actual Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and equivalents</td>
<td>—% - 5%</td>
<td>1%</td>
</tr>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>25% - 45%</td>
<td>37%</td>
</tr>
<tr>
<td>International</td>
<td>10% - 20%</td>
<td>15%</td>
</tr>
<tr>
<td>Global asset allocation securities</td>
<td>20% - 40%</td>
<td>28%</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>10% - 30%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Securities Lending Program - In 2013, Alliant Energy terminated its securities lending program with a third party agent. The program allowed the agent to lend certain securities from the defined benefit pension and other postretirement benefits plans to selected entities against receipt of collateral (in the form of cash, government and agency securities or letters of credit) as provided for and determined in accordance with a securities lending agency agreement. Refer to “Fair Value Measurements” below for details of fair value of invested collateral and amounts due to borrowers for the securities lending program at December 31, 2012.

Fair Value Measurements - The following tables report a framework for measuring fair value. The fair value hierarchy 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. Investments in securities held in registered investment companies and directly held equity securities are valued at the closing price reported in the active market in which the securities are traded.

Level 2 - Pricing inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means. Investments in corporate bonds and government and agency obligations are valued at the closing price reported in the active market for similar assets in which the individual securities are traded or based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in common/collective trusts are valued at the net asset value of shares held by the plans, which is based on the fair market value of the underlying investments in the common/collective trusts. Level 2 plan assets at December 31, 2012 also consisted of asset-backed securities within the securities lending invested collateral.
**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. At December 31, 2012, Level 3 plan assets included certain asset-backed securities and corporate bonds within the securities lending invested collateral.

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.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Alliant Energy believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At December 31, the fair values of qualified and non-qualified defined benefit pension plans assets by asset category and fair value hierarchy level were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair Value</td>
<td>Level 1</td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$32.6</td>
<td>$—</td>
</tr>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. large cap core</td>
<td>134.1</td>
<td>134.1</td>
</tr>
<tr>
<td>U.S. large cap value</td>
<td>77.0</td>
<td>—</td>
</tr>
<tr>
<td>U.S. large cap growth</td>
<td>77.4</td>
<td>—</td>
</tr>
<tr>
<td>U.S. small cap value</td>
<td>20.7</td>
<td>—</td>
</tr>
<tr>
<td>U.S. small cap growth</td>
<td>20.8</td>
<td>20.8</td>
</tr>
<tr>
<td>International - developed markets</td>
<td>136.3</td>
<td>68.0</td>
</tr>
<tr>
<td>International - emerging markets</td>
<td>48.4</td>
<td>48.4</td>
</tr>
<tr>
<td>Global asset allocation securities</td>
<td>99.1</td>
<td>56.7</td>
</tr>
<tr>
<td>Risk parity allocation securities</td>
<td>96.1</td>
<td>—</td>
</tr>
<tr>
<td>Fixed income securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>29.2</td>
<td>—</td>
</tr>
<tr>
<td>Government and agency obligations</td>
<td>49.1</td>
<td>—</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>202.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Securities lending invested collateral</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>1,023.0</td>
<td>$328.2</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>0.7</td>
<td>—</td>
</tr>
<tr>
<td>Due to brokers, net (pending trades with brokers)</td>
<td>(0.8)</td>
<td>—</td>
</tr>
<tr>
<td>Due to borrowers for securities lending program</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total pension plan assets</td>
<td>$1,022.9</td>
<td>—</td>
</tr>
</tbody>
</table>
At December 31, the fair values of other postretirement benefits plans assets by asset category and fair value hierarchy level were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th></th>
<th></th>
<th>2012</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair</td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Fair</td>
<td>Level 1</td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$3.9</td>
<td>$—</td>
<td>$3.9</td>
<td>$—</td>
<td>$8.4</td>
<td>$—</td>
</tr>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. blend</td>
<td>36.8</td>
<td>36.8</td>
<td>—</td>
<td>—</td>
<td>32.9</td>
<td>32.9</td>
</tr>
<tr>
<td>U.S. large cap core</td>
<td>2.9</td>
<td>2.9</td>
<td>—</td>
<td>—</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>U.S. large cap value</td>
<td>1.7</td>
<td>—</td>
<td>1.7</td>
<td>—</td>
<td>2.4</td>
<td>—</td>
</tr>
<tr>
<td>U.S. large cap growth</td>
<td>1.7</td>
<td>—</td>
<td>1.7</td>
<td>—</td>
<td>2.3</td>
<td>—</td>
</tr>
<tr>
<td>U.S. small cap value</td>
<td>0.5</td>
<td>—</td>
<td>0.5</td>
<td>—</td>
<td>0.7</td>
<td>—</td>
</tr>
<tr>
<td>U.S. small cap growth</td>
<td>0.5</td>
<td>—</td>
<td>0.5</td>
<td>—</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>International - blend</td>
<td>15.4</td>
<td>15.4</td>
<td>—</td>
<td>—</td>
<td>14.3</td>
<td>14.3</td>
</tr>
<tr>
<td>International - developed markets</td>
<td>3.0</td>
<td>1.5</td>
<td>1.5</td>
<td>—</td>
<td>3.4</td>
<td>1.8</td>
</tr>
<tr>
<td>International - emerging markets</td>
<td>1.1</td>
<td>1.1</td>
<td>—</td>
<td>—</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Global asset allocation securities</td>
<td>30.4</td>
<td>29.5</td>
<td>0.9</td>
<td>—</td>
<td>30.4</td>
<td>29.6</td>
</tr>
<tr>
<td>Risk parity allocation securities</td>
<td>2.1</td>
<td>—</td>
<td>2.1</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fixed income securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>0.6</td>
<td>—</td>
<td>0.6</td>
<td>—</td>
<td>0.7</td>
<td>—</td>
</tr>
<tr>
<td>Government and agency obligations</td>
<td>1.1</td>
<td>—</td>
<td>1.1</td>
<td>—</td>
<td>1.1</td>
<td>—</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>23.2</td>
<td>18.8</td>
<td>4.4</td>
<td>—</td>
<td>22.4</td>
<td>18.8</td>
</tr>
<tr>
<td>Securities lending invested collateral</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.1</td>
<td>—</td>
</tr>
<tr>
<td>Due to borrowers for securities lending program</td>
<td>124.9</td>
<td>$106.5</td>
<td>$18.4</td>
<td>—</td>
<td>123.3</td>
<td>$101.6</td>
</tr>
<tr>
<td>Total other postretirement benefits plan assets</td>
<td>$124.9</td>
<td>$106.5</td>
<td>$18.4</td>
<td>—</td>
<td>$123.3</td>
<td>$101.6</td>
</tr>
</tbody>
</table>

For the various defined benefit pension and other postretirement benefits plans, Alliant Energy common stock represented less than 1% of assets held in the plans at December 31, 2013 and 2012.

**Cash Balance Plan** - Alliant Energy’s defined benefit pension plans include the Cash Balance Plan, which provides benefits for certain non-bargaining unit employees. The Cash Balance Plan has been closed to new hires since 2005. Effective 2008, Alliant Energy amended the Cash Balance Plan by discontinuing additional contributions into employees’ Cash Balance Plan accounts and increased its level of contributions to its 401(k) Savings Plan. In 2009, Alliant Energy amended the Cash Balance Plan by changing participants’ future interest credit formula to use the annual change in the consumer price index. This amendment provides participants an interest crediting rate that is 3% more than the annual change in the consumer price index. Refer to Note 16(c) for discussion of a class-action lawsuit filed against the Cash Balance Plan in 2008.

**401(k) Savings Plans** - A significant number of Alliant Energy employees participate in defined contribution retirement plans (401(k) savings plans). Alliant Energy common stock represented 11.3% and 12.5% of total assets held in 401(k) savings plans at December 31, 2013 and 2012, respectively. In 2013, 2012 and 2011, costs related to the 401(k) savings plans, which are partially based on the participants’ contributions, were $19.2 million, $18.5 million and $18.4 million, respectively.

(b) **Equity-based Compensation Plans** - In 2010, Alliant Energy’s shareowners approved the OIP, which permits the grant of stock options, restricted stock, restricted stock units, performance shares, performance units, and other stock-based awards and performance-based cash awards to key employees. At December 31, 2013, performance shares and restricted stock were outstanding and 4.1 million shares of Alliant Energy’s common stock remained available for grants under the OIP. Alliant Energy satisfies payouts related to equity awards under the OIP through the issuance of new shares of its common stock. Alliant Energy also has the DLIP, which permits the grant of long-term performance-based awards, including performance units and restricted cash awards to certain key employees. At December 31, 2013, performance units and performance contingent cash awards were outstanding under the DLIP. There is no limit to the number of grants that can be made under the DLIP and Alliant Energy satisfies all payouts under the DLIP through cash payments.
A summary of compensation expense and the related income tax benefits recognized for share-based compensation awards was as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation expense</td>
<td>$12.0</td>
<td>$6.9</td>
<td>$10.1</td>
</tr>
<tr>
<td>Income tax benefits</td>
<td>4.8</td>
<td>2.8</td>
<td>4.0</td>
</tr>
</tbody>
</table>

As of December 31, 2013, total unrecognized compensation cost related to share-based compensation awards was $5.4 million, which is expected to be recognized over a weighted average period of between 1 and 2 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 Consolidated Statements of Income.

**Performance Shares and Units** - Payouts of performance shares and units to key employees are contingent upon achievement over 3-year periods of specified performance criteria, which currently include metrics of total shareowner return relative to investor-owned utility peer groups. Payouts of nonvested performance shares and units issued in 2012 and after 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 performance shares and units to participants who terminate employment after the first year of the performance period due to retirement, death or disability are not prorated. Payouts of nonvested performance shares and units issued prior to 2012 are prorated at retirement, death, disability or involuntary termination without cause based on time worked during the full or entire performance period and achievement of the performance criteria. Participants’ nonvested performance shares and units are forfeited if the participant voluntarily leaves Alliant Energy or is terminated for cause. Nonvested performance shares and units do not have non-forfeitable rights to dividends when dividends are paid to common shareowners. 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.

**Performance Shares** - Performance shares can be paid out in shares of Alliant Energy’s common stock, cash or a combination of cash and stock and are adjusted by a performance multiplier, which ranges from zero to 200% based on the performance criteria. A summary of the performance shares activity was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonvested shares, January 1</td>
<td>145,277</td>
<td>236,979</td>
<td>234,518</td>
</tr>
<tr>
<td>Granted</td>
<td>49,093</td>
<td>45,612</td>
<td>64,217</td>
</tr>
<tr>
<td>Vested (b)</td>
<td>(54,430)</td>
<td>(111,980)</td>
<td>(57,838)</td>
</tr>
<tr>
<td>Forfeited (c)</td>
<td>—</td>
<td>(25,334)</td>
<td>(3,918)</td>
</tr>
<tr>
<td>Nonvested shares, December 31</td>
<td>139,940</td>
<td>145,277</td>
<td>236,979</td>
</tr>
</tbody>
</table>

(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 2013, 54,430 performance shares granted in 2010 vested at 197.5% of the target, resulting in payouts valued at $4.8 million, which consisted of a combination of cash and common stock (4,177 shares). In 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 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).

(c) Forfeitures were primarily caused by retirements and voluntary terminations of participants.
Performance Units - Performance units must be paid out in cash and are adjusted by a performance multiplier, which ranges from zero to 200% based on the performance criteria. A summary of the performance unit activity was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013 Units (a)</th>
<th>2012 Units (a)</th>
<th>2011 Units (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonvested units, January 1</td>
<td>64,969</td>
<td>42,996</td>
<td>23,128</td>
</tr>
<tr>
<td>Granted</td>
<td>22,201</td>
<td>24,686</td>
<td>23,975</td>
</tr>
<tr>
<td>Vested (b)</td>
<td>(19,760)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(1,498)</td>
<td>(2,713)</td>
<td>(4,107)</td>
</tr>
<tr>
<td>Nonvested units, December 31</td>
<td>65,912</td>
<td>64,969</td>
<td>42,996</td>
</tr>
</tbody>
</table>

(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.

(b) In 2013, 19,760 performance units granted in 2010 vested at 197.5% of the target, resulting in cash payouts valued at $1.3 million.

Fair Value of Awards - Information related to fair values of nonvested performance shares and units at December 31, 2013, by year of grant, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013 Grant</th>
<th>2012 Grant</th>
<th>2011 Grant</th>
<th>Performance Shares</th>
<th>2013 Grant</th>
<th>2012 Grant</th>
<th>2011 Grant</th>
<th>Performance Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonvested awards</td>
<td>49,093</td>
<td>45,612</td>
<td>45,235</td>
<td>21,935</td>
<td>23,226</td>
<td>20,751</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alliant Energy common stock closing price on December 31, 2013</td>
<td>$51.60</td>
<td>$51.60</td>
<td>$51.60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alliant Energy common stock average price on grant date</td>
<td></td>
<td></td>
<td></td>
<td>$47.58</td>
<td>$43.05</td>
<td>$38.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated payout percentage based on performance criteria</td>
<td>110%</td>
<td>109%</td>
<td>148%</td>
<td>110%</td>
<td>109%</td>
<td>148%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair values of each nonvested award</td>
<td>$56.76</td>
<td>$56.24</td>
<td>$76.11</td>
<td></td>
<td>$52.34</td>
<td>$46.92</td>
<td>$57.16</td>
<td></td>
</tr>
</tbody>
</table>

At December 31, 2013, 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.

Performance-contingent Restricted Stock - Vesting of performance-contingent restricted stock grants are based on the achievement of certain performance targets (currently specified growth of consolidated income from continuing operations). If performance targets are not met within the performance period, which currently ranges from two to four years, these restricted stock grants are forfeited. Payouts of nonvested performance-contingent restricted stock issued in 2012 and after 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 this performance-contingent restricted stock to participants who terminate employment after the first year of the performance period due to retirement, death or disability are not prorated. Nonvested shares of performance-contingent restricted stock issued prior to 2012 are prorated at retirement based on time worked during the full or entire performance period and vest only if and when the performance criteria are met. Participants’ nonvested performance-contingent restricted stock is forfeited if the participant voluntarily leaves Alliant Energy or is terminated for cause. The fair value of performance-contingent restricted stock is based on the average market price at the grant date. A summary of the performance-contingent restricted stock activity was as follows:
<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shares</td>
<td>Weighted Average Fair Value</td>
<td>Shares</td>
</tr>
<tr>
<td>Nonvested shares, January 1</td>
<td>211,651</td>
<td>$32.42</td>
<td>301,738</td>
</tr>
<tr>
<td>Granted</td>
<td>49,093</td>
<td>47.58</td>
<td>45,612</td>
</tr>
<tr>
<td>Vested (a)</td>
<td>—</td>
<td>—</td>
<td>(65,172)</td>
</tr>
<tr>
<td>Forfeited (b)</td>
<td>(101,822)</td>
<td>23.67</td>
<td>(70,527)</td>
</tr>
<tr>
<td>Nonvested shares, December 31</td>
<td>158,922</td>
<td>42.71</td>
<td>211,651</td>
</tr>
</tbody>
</table>

(a) In 2012 and 2011, 65,172 and 53,274 performance-contingent restricted shares granted in 2010 and 2007, respectively, vested because the specified performance criteria for such shares were met.

(b) In 2013 and 2012, 101,822 and 65,516 performance-contingent restricted shares granted in 2009 and 2008, respectively, were forfeited because the specified performance criteria for such shares were not met. The remaining forfeitures during 2012 and 2011 were primarily caused by retirements and terminations of participants.

**Time-based Restricted Stock** - At December 31, 2013, the amount of nonvested shares of time-based restricted stock was not material.

**Performance Contingent Cash Awards** - Performance contingent cash award payouts to key employees are based on the achievement of certain performance targets (currently specified growth of consolidated income from continuing operations). If performance targets are not met within the performance period, which currently ranges from two to four years, there are no payouts for these awards. Payouts of nonvested awards issued in 2012 and after 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. Nonvested awards issued prior to 2012 are prorated at retirement based on time worked during the full or entire performance period and achievement of the performance criteria. Participants’ nonvested awards are forfeited if the participant voluntarily leaves Alliant Energy or is terminated for cause. Each performance contingent cash award’s value is based on the price of one share of Alliant Energy’s common stock at the end of the performance period. Alliant Energy accounts for performance contingent cash awards as liability awards because payouts will be made in the form of cash. A summary of the performance contingent cash awards activity was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013 Awards</th>
<th>2012 Awards</th>
<th>2011 Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonvested awards, January 1</td>
<td>59,639</td>
<td>46,676</td>
<td>23,428</td>
</tr>
<tr>
<td>Granted</td>
<td>39,530</td>
<td>36,936</td>
<td>23,975</td>
</tr>
<tr>
<td>Vested (a)</td>
<td>—</td>
<td>(21,605)</td>
<td>—</td>
</tr>
<tr>
<td>Forfeited (b)</td>
<td>(2,192)</td>
<td>(2,368)</td>
<td>(727)</td>
</tr>
<tr>
<td>Nonvested awards, December 31</td>
<td>96,977</td>
<td>59,639</td>
<td>46,676</td>
</tr>
</tbody>
</table>

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

**Non-qualified Stock Options** - Alliant Energy has not granted any options since 2004. In 2013, the last of the outstanding options were exercised, resulting in no options outstanding at December 31, 2013.

**Deferred Compensation Plan** - Alliant Energy maintains a DCP under which key employees may defer up to 100% of base salary and performance-based compensation and directors may elect to defer all or part of their retainer and committee fees. Key employees who have made the maximum allowed contribution to the Alliant Energy 401(k) Savings Plan may receive an additional credit to the DCP. Key employees and directors may elect to have their deferrals credited to a company stock account, an interest account or equity accounts based on certain benchmark funds.

**Company Stock Accounts** - The DCP does not permit diversification of deferrals credited to the company stock account and all distributions from participants’ company stock accounts are made in the form of shares of Alliant Energy common stock. The deferred compensation obligations for participants’ company stock accounts are recorded in “Additional paid-in capital” and the shares of Alliant Energy common stock held in a rabbi trust to satisfy this obligation are recorded in “Shares in deferred compensation trust” on the Consolidated Balance Sheets. At December 31, the carrying value of the deferred
compensation obligation for the company stock accounts and the shares in the deferred compensation trust based on the historical value of the shares of Alliant Energy common stock contributed to the rabbi trust, and the fair market value of the shares held in the rabbi trust were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying value</td>
<td>$8.0</td>
<td>$7.3</td>
</tr>
<tr>
<td>Fair market value</td>
<td>11.7</td>
<td>9.5</td>
</tr>
</tbody>
</table>

**Interest and Equity Accounts** - Distributions from participants’ interest and equity accounts are in the form of cash payments. The deferred compensation obligations for participants’ interest and equity accounts are recorded in “Pension and other benefit obligations” on the Consolidated Balance Sheets. At December 31, 2013 and 2012, the carrying value of the deferred compensation obligations for participants’ interest and equity accounts, which approximates fair market value, was $15.9 million and $16.3 million, respectively.

(13) ASSET RETIREMENT OBLIGATIONS

AROs recognized by Alliant Energy relate to legal obligations for the removal, closure or dismantlement of several assets including, but not limited to, wind projects, certain ash ponds, certain coal yards, active ash landfills and above ground storage tanks. Recognized AROs also include legal obligations for the management and final disposition of asbestos and polychlorinated biphenyls. AROs are recorded in “Other long-term liabilities and deferred credits” on the Consolidated Balance Sheets. Refer to Note 2 for information regarding regulatory assets related to AROs. A reconciliation of the changes in AROs associated with long-lived assets is as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, January 1</td>
<td>$101.5</td>
<td>$91.1</td>
</tr>
<tr>
<td>Revisions in estimated cash flows (a)</td>
<td>5.6</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Liabilities settled</td>
<td>(2.3)</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Liabilities incurred (b)</td>
<td>1.2</td>
<td>16.8</td>
</tr>
<tr>
<td>Accretion expense</td>
<td>3.7</td>
<td>3.4</td>
</tr>
<tr>
<td>Balance, December 31</td>
<td>$109.7</td>
<td>$101.5</td>
</tr>
</tbody>
</table>

(a) In 2012, IPL recorded revisions in estimated cash flows of ($8.2) million based on revised remediation timing and cost information for asbestos remediation at its Sixth Street Generating Station.

(b) In 2012, Resources recorded AROs of $9.1 million related to its Franklin County wind project and WPL recorded AROs of $7.6 million related to Nelson Dewey.

In addition, certain AROs related to EGU assets have not been recognized. Due to an indeterminate remediation date, the fair values of the AROs for these assets cannot be currently estimated. A liability for these AROs will be recorded when fair value is determinable. Removal costs of these facilities are being recovered in rates and are recorded in regulatory liabilities.

(14) FAIR VALUE MEASUREMENTS

**Fair Value of Financial Instruments** - The carrying amounts of 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 at December 31 were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Fair Value</td>
</tr>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative assets (Note 15)</td>
<td>$26.7</td>
<td>$26.7</td>
</tr>
<tr>
<td>Deferred proceeds (sales of receivables) (Note 5(a))</td>
<td>203.5</td>
<td>203.5</td>
</tr>
<tr>
<td><strong>Capitalization and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt (including current maturities) (Note 9(b))</td>
<td>3,336.3</td>
<td>3,712.3</td>
</tr>
<tr>
<td>Cumulative preferred stock (Note 8)</td>
<td>200.0</td>
<td>167.0</td>
</tr>
<tr>
<td>Derivative liabilities (Note 15)</td>
<td>20.8</td>
<td>20.8</td>
</tr>
</tbody>
</table>
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 December 31, 2013, Level 1 items included IPL's 5.1% cumulative preferred stock. As of December 31, 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 December 31, 2013 and 2012, Level 2 items included certain of IPL’s and WPL’s non-exchange traded commodity contracts and substantially all of the long-term debt instruments. Level 2 items as of December 31, 2012 also included the remainder of WPL’s cumulative preferred stock.

**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 December 31, 2013 and 2012, Level 3 items included IPL’s deferred proceeds, and IPL’s and WPL’s FTRs and certain non-exchange traded 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.

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, and maintain risk policies that govern the use of such derivative instruments. As of December 31, 2013 and 2012, derivative instruments were not designated as hedging instruments and included the following:

<table>
<thead>
<tr>
<th>Risk management purpose</th>
<th>Type of instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitigate pricing volatility for:</td>
<td></td>
</tr>
<tr>
<td>Electricity purchased to supply customers</td>
<td>Electric swap and physical forward contracts (IPL and WPL)</td>
</tr>
<tr>
<td>Fuel used to supply natural gas-fired EGUs</td>
<td>Natural gas swaps (IPL and WPL)</td>
</tr>
<tr>
<td>Natural gas options (WPL)</td>
<td></td>
</tr>
<tr>
<td>Natural gas supplied to retail customers</td>
<td>Natural gas options and physical forward contracts (IPL and WPL)</td>
</tr>
<tr>
<td>Natural gas swap contracts (IPL)</td>
<td></td>
</tr>
<tr>
<td>Fuel used at coal-fired EGUs</td>
<td>Coal physical forward contract with volumetric optionality (IPL and WPL)</td>
</tr>
<tr>
<td>Optimize the value of natural gas pipeline capacity</td>
<td>Natural gas physical forward contracts (IPL and WPL)</td>
</tr>
<tr>
<td>Natural gas swap contracts (IPL)</td>
<td></td>
</tr>
<tr>
<td>Manage transmission congestion costs</td>
<td>FTRs (IPL and WPL)</td>
</tr>
</tbody>
</table>

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 from a pricing vendor that provides daily exchange forward price settlements, from broker or dealer quotations, from market publications 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 valued using monthly or annual auction shadow prices from relevant auctions and were categorized as Level 3. Refer to Note 15 for additional details of derivative assets and derivative liabilities.

Level 3 inputs include observable and unobservable inputs used in the fair value measurements of IPL’s and WPL’s commodity contracts. The observable inputs are obtained from third-party pricing sources, counterparties and brokers and
include bids, offers, historical transactions (including historical price differences between locations with both observable and unobservable prices) and executed trades. The significant unobservable inputs used in the fair value measurement of IPL’s and WPL’s commodity contracts are forecasted electricity, natural gas and coal prices, and the expected volatility of such prices. Significant changes in any of those inputs would result in a significantly lower or higher fair value measurement.

**Deferred proceeds (sales of receivables)** - The fair value of IPL’s deferred proceeds related to its sales of accounts receivable 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 due to the short-term nature of the collection period. These inputs were considered unobservable and deferred proceeds were categorized as Level 3. Deferred proceeds represent IPL’s maximum exposure to loss related to the receivables sold. Refer to Note 5(a) for additional information regarding deferred proceeds.

**Long-term debt (including current maturities)** - The fair value of long-term debt instruments was based on quoted market prices for similar liabilities at each reporting date or on a discounted cash flow methodology, which utilizes assumptions of current market pricing curves at each reporting date. Refer to Note 9(b) for additional information regarding long-term debt.

**Cumulative preferred stock** - As of December 31, 2013, the fair value of IPL’s 5.1% cumulative preferred stock was based on its closing market price quoted by the New York Stock Exchange. As of December 31, 2012, 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, the fair value of WPL’s 4.50% cumulative preferred stock was based on the closing market price quoted by the NYSE Amex LLC, and the fair value of WPL’s remaining preferred stock was calculated based on the market yield of similar securities. Refer to Note 8 for additional information regarding cumulative preferred stock.

Items subject to fair value measurement disclosure requirements were as follows (in millions):

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value</td>
<td>Level 1</td>
</tr>
</tbody>
</table>

**Assets:**

- Derivatives - commodity contracts: $26.7 $22.0
- Deferred proceeds: 203.5 203.5

**Capitalization and liabilities:**

- Long-term debt (including current maturities): 3,712.3 3,711.8 0.5
- Cumulative preferred stock: 167.0 212.6
- Derivatives - commodity contracts: 20.8 17.6

Alliant Energy generally records gains and losses from IPL’s and WPL’s derivative instruments with offsets to regulatory assets or regulatory liabilities, based on their fuel and natural gas cost recovery mechanisms, as well as other specific regulatory authorizations. Based on these recovery mechanisms, the changes in the fair value of derivative liabilities resulted in comparable changes to regulatory assets, and the changes in the fair value of derivative assets resulted in comparable changes to regulatory liabilities on the Consolidated Balance Sheets.

Information for fair value measurements using significant unobservable inputs (Level 3 inputs) was as follows (in millions):

<table>
<thead>
<tr>
<th>Commodity Contract Derivative Assets and (Liabilities), net</th>
<th>Deferred Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>Beginning balance, January 1</td>
<td>$11.9</td>
</tr>
<tr>
<td>Total net losses (realized/unrealized) included in changes in net assets (a)</td>
<td>(12.7)</td>
</tr>
<tr>
<td>Transfers into Level 3 (b)</td>
<td>0.1</td>
</tr>
<tr>
<td>Transfers out of Level 3 (c)</td>
<td>2.0</td>
</tr>
<tr>
<td>Purchases</td>
<td>50.9</td>
</tr>
<tr>
<td>Settlements (d)</td>
<td>(47.8)</td>
</tr>
<tr>
<td>Ending balance, December 31</td>
<td>$4.4</td>
</tr>
</tbody>
</table>

The amount of total net losses for the period included in changes in net assets attributable to the change in unrealized losses relating to assets and liabilities held at December 31 (a)

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>($12.7)</td>
<td>($2.6)</td>
</tr>
</tbody>
</table>
(a) Gains and losses related to derivative assets and derivative liabilities are generally recorded in “Regulatory assets” and “Regulatory liabilities” on the Consolidated Balance Sheets.
(b) Markets for similar assets and liabilities became inactive and observable market inputs became unavailable for transfers into Level 3. The transfers were valued as of the beginning of the period.
(c) Observable market inputs became available for certain commodity contracts previously classified as Level 3 for transfers out of Level 3. The transfers were valued as of the beginning of the period.
(d) Settlements related to deferred proceeds are due to the change in 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.

Commodity Contracts - As of December 31, 2013, the fair values of electric, natural gas and coal commodity contracts categorized as Level 3, excluding FTRs, were recognized as net derivative liabilities of $13.9 million. As of December 31, 2013, FTRs categorized as Level 3 were recognized as net derivative assets of $18.3 million.

(15) DERIVATIVE INSTRUMENTS
Commodity Derivatives -
Purpose - 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. Refer to Note 14 for detailed discussion of derivative instruments as of December 31, 2013 and 2012.

Notional Amounts - As of December 31, 2013, gross notional amounts by delivery year related to outstanding swap contracts, option contracts, physical forward contracts, FTRs and coal contracts that were accounted for as commodity derivative instruments were as follows (units in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (MWhs)</td>
<td>5,895</td>
<td>2,717</td>
<td>1,318</td>
<td>1,314</td>
<td>1,314</td>
<td>12,558</td>
</tr>
<tr>
<td>FTRs (MWhs)</td>
<td>7,707</td>
<td>————</td>
<td>————</td>
<td>————</td>
<td>————</td>
<td>7,707</td>
</tr>
<tr>
<td>Natural gas (Dths)</td>
<td>47,669</td>
<td>8,956</td>
<td>1,639</td>
<td>————</td>
<td>————</td>
<td>58,264</td>
</tr>
<tr>
<td>Coal (tons)</td>
<td>1,591</td>
<td>936</td>
<td>955</td>
<td>868</td>
<td>714</td>
<td>5,064</td>
</tr>
</tbody>
</table>

Financial Statement Presentation - Alliant Energy records derivative instruments at fair value each reporting date on the balance sheet as assets or liabilities. At December 31, the fair values of current derivative assets are included in “Other current assets,” non-current derivative assets are included in “Deferred charges and other,” current derivative liabilities are included in “Other current liabilities” and non-current derivative liabilities are included in “Other long-term liabilities and deferred credits” on the Consolidated Balance Sheets as follows (in millions):

<table>
<thead>
<tr>
<th>Commodity contracts</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current derivative assets</td>
<td>$25.6</td>
<td>$23.5</td>
</tr>
<tr>
<td>Non-current derivative assets</td>
<td>1.1</td>
<td>2.7</td>
</tr>
<tr>
<td>Current derivative liabilities</td>
<td>6.7</td>
<td>31.1</td>
</tr>
<tr>
<td>Non-current derivative liabilities</td>
<td>14.1</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Net unrealized gains (losses) from commodity contracts during 2013, 2012 and 2011 were primarily due to changes in electricity and natural gas prices during such periods.

Credit Risk-related Contingent Features - Alliant Energy, IPL and WPL have entered into various agreements that contain credit risk-related contingent features including requirements for them to maintain certain credit ratings from each of the major credit rating agencies and/or limitations on their liability positions under the various agreements based upon their credit ratings. In the event of a downgrade in their credit ratings or if their liability positions exceed certain contractual limits, Alliant Energy, IPL or WPL may need to provide credit support in the form of letters of credit or cash collateral up to...
the amount of their exposure under the contracts, or may need to unwind the contracts and pay the underlying liability positions.

Certain of these agreements with credit risk-related contingency features are accounted for as derivative instruments. The aggregate fair value of all derivatives with credit risk-related contingent features that were in a net liability position on December 31, 2013 was $20.8 million. At December 31, 2013, Alliant Energy, IPL and WPL all had investment-grade credit ratings. If the most restrictive credit risk-related contingent features for derivative agreements in a net liability position were triggered on December 31, 2013, Alliant Energy would be required to post $20.8 million of credit support to its counterparties.

**Balance Sheet Offsetting** - Alliant Energy does not net the fair value amounts of derivative instruments subject to a master netting arrangement by counterparty on the Consolidated Balance Sheets. However, if Alliant Energy did net the fair value amounts of derivative instruments by counterparty, derivative assets and derivative liabilities related to commodity contracts would have been presented on the Consolidated Balance Sheets as of December 31 as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013 (as reported)</th>
<th>2013 Net</th>
<th>2012 (as reported)</th>
<th>2012 Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Derivative assets</strong></td>
<td>$26.7</td>
<td>$23.5</td>
<td>$26.2</td>
<td>$19.3</td>
</tr>
<tr>
<td><strong>Derivative liabilities</strong></td>
<td>20.8</td>
<td>17.6</td>
<td>40.4</td>
<td>33.5</td>
</tr>
</tbody>
</table>

Alliant Energy also does not offset fair value amounts recognized for the right to reclaim cash collateral (receivable) or the obligation to return cash collateral (payable) against fair value amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement. In addition, trade receivables and payables associated with derivative assets and derivative liabilities are also subject to a master netting arrangement. As of December 31, 2013 and 2012, the related cash collateral and trade receivables and payables were not material and were not included in the above table.

(16) COMMITMENTS AND CONTINGENCIES

(a) Capital Purchase Obligations - Alliant Energy has entered into capital purchase obligations that contain minimum future commitments related to capital expenditures for certain of its emission controls and generation performance improvement projects. These projects include the installation of scrubbers and baghouses at IPL’s Ottumwa Unit 1 and WPL’s Columbia Units 1 and 2 to reduce SO2 and mercury emissions at the EGU’s and generation performance improvements at IPL’s Ottumwa Unit 1. At December 31, 2013, Alliant Energy’s minimum future commitments related to these projects were $86 million.

(b) Operating Expense Purchase Obligations - Alliant Energy has entered into various commodity supply, transportation and storage contracts to meet its obligations to provide electricity and natural gas to IPL’s and WPL’s utility customers. Alliant Energy also enters into other operating expense purchase obligations with various vendors for other goods and services. At December 31, 2013, minimum future commitments related to these operating expense purchase obligations were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchased power (a):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DAEC (IPL) (b)</td>
<td>$120</td>
<td>$119</td>
<td>$127</td>
<td>$138</td>
<td>$128</td>
<td>$1,025</td>
<td>$1,657</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>52</td>
<td>73</td>
<td>45</td>
<td>44</td>
<td>44</td>
<td>—</td>
<td>258</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>172</td>
<td>192</td>
<td>172</td>
<td>182</td>
<td>172</td>
<td>1,025</td>
<td>1,915</td>
</tr>
<tr>
<td><strong>Natural gas</strong></td>
<td>187</td>
<td>65</td>
<td>34</td>
<td>10</td>
<td>2</td>
<td>6</td>
<td>304</td>
</tr>
<tr>
<td><strong>Coal</strong></td>
<td>128</td>
<td>81</td>
<td>59</td>
<td>30</td>
<td>21</td>
<td>—</td>
<td>319</td>
</tr>
<tr>
<td>SO2 emission allowances (c)</td>
<td>—</td>
<td>12</td>
<td>14</td>
<td>8</td>
<td>—</td>
<td>—</td>
<td>34</td>
</tr>
<tr>
<td><strong>Other (d)</strong></td>
<td>8</td>
<td>3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$495</td>
<td>$353</td>
<td>$279</td>
<td>$230</td>
<td>$195</td>
<td>$1,031</td>
<td>$2,583</td>
</tr>
</tbody>
</table>

(a) Includes payments required by PPAs for capacity rights and minimum quantities of MWhs required to be purchased. Refer to Note 18 for additional information on purchased power transactions.

(b) Includes commitments incurred under an existing PPA that expires February 2014 and a new PPA effective February 2014. The new PPA grants IPL rights to purchase 431 MWs of capacity and the resulting energy from DAEC for a term
from the expiration of the existing PPA in February 2014 through December 31, 2025. If energy delivered under the new PPA is less than the targeted energy amount, an adjustment payment will be made to IPL, which will be reflected in IPL’s fuel adjustment clause.

(c) Refer to Note 2 for discussion of $34 million of charges recognized in 2011 for forward contracts to purchase SO2 emission allowances.

(d) Includes individual commitments incurred during the normal course of business that exceeded $1 million at December 31, 2013.

Alliant Energy enters into certain contracts that are considered leases and are therefore not included here, but are included in Note 10.

(c) Legal Proceedings -

Cash Balance Plan - In 2008, a class-action lawsuit was filed against the Cash Balance Plan in the Court. The complaint alleged that certain Cash Balance Plan participants who received distributions prior to their normal retirement age did not receive the full benefit to which they were entitled in violation of the Employee Retirement Income Security Act of 1974 because the Cash Balance Plan applied an improper interest crediting rate to project the cash balance account to their normal retirement age. These Cash Balance Plan participants were limited to individuals who, prior to normal retirement age, received a lump-sum distribution or an annuity payment.

In 2011, the Cash Balance Plan was amended and the Cash Balance Plan subsequently made approximately $10 million in additional payments in 2011 to certain former participants in the Cash Balance Plan. This amendment was required based on an agreement Alliant Energy reached with the IRS, which resulted in a favorable determination letter for the Cash Balance Plan in 2011. In 2012, the Court entered a final judgment in the class-action lawsuit, which was appealed to the Seventh Circuit Court of Appeals. In August 2013, the Seventh Circuit Court of Appeals ruled on the case and remanded it to the Court to determine final damages. The Cash Balance Plan entered into a stipulation agreement with the plaintiffs, which was filed with the Court in December 2013 settling all open matters in the case. In January 2014, the Court entered final judgment in the total amount of $9.0 million. Plaintiffs’ attorney’s fees and costs will be paid from the final damages.

Due to the stipulation agreement filed with the Court in December 2013, Alliant Energy recognized the additional benefits to be paid to the plaintiffs in the Consolidated Statement of Income in 2013. As a result of the January 2014 final Court order requiring plaintiffs’ attorney’s fees and costs to be paid out of the final judgment, Alliant Energy reversed the reserve previously recorded related to payment of plaintiffs’ attorney’s fees and costs. As a result of recognizing the additional benefits of $9.0 million to be paid to the plaintiffs and reversing the previously recorded reserve of $6.7 million for plaintiffs’ attorney’s fees and costs, there was not a net material impact on Alliant Energy’s results of operations for 2013.

Flood Damage Claims - In June 2013, several plaintiffs purporting to represent a class of residential and commercial property owners filed a complaint against CRANDIC, Alliant Energy and various other defendants in the Iowa District Court for Linn County. Plaintiffs asserted claims of negligence and strict liability based on their allegations that CRANDIC (along with other defendants) caused or exacerbated flooding of the Cedar River in June 2008. In July 2013, the case was removed from state court to federal court based on federal jurisdiction. In September 2013, the U.S. District Court for the Northern District of Iowa dismissed the plaintiffs’ claims and transferred the case for resolution to the Surface Transportation Board, the administrative agency that oversees the Interstate Commerce Commission Termination Act. In October 2013, the plaintiff appealed the federal court’s dismissal of the case to the Eighth Circuit Court of Appeals. Alliant Energy and CRANDIC believe the case is without merit and will continue to vigorously contest the case. As a result, Alliant Energy does not currently believe any material losses from this lawsuit are both probable and reasonably estimated, and therefore, has not recognized any material loss contingency amounts for this complaint as of December 31, 2013. Due to the early stages of the claim and the lack of specific damages identified, Alliant Energy is currently unable to provide an estimate of potential loss or range of potential loss.

Smart Meters Patents - In 2011, a lawsuit was filed against WPL in the Court by TransData, a company that is claiming it has valid patents covering wireless smart electric meter technology. TransData alleges in the lawsuit that WPL used meters that contain technology that allegedly infringe on patents owned by TransData. In 2012, the lawsuit was transferred to the U.S. District Court for the Western District of Oklahoma, whereby the lawsuit was consolidated with lawsuits TransData previously filed against various other utility companies. The smart meters in question were purchased by WPL from a third-party vendor. The third-party vendor, while not a party to the litigation, is defending WPL. WPL also believes that it has an indemnification agreement with the third-party vendor for any judgment that may result from the litigation. TransData is seeking injunctive relief and recovery of an unspecified amount of damages. Alliant Energy does not currently believe any material losses from this lawsuit are both probable and reasonably estimated, and therefore, has not recognized any material...
loss contingency amounts for this lawsuit as of December 31, 2013. Due to the lack of specific damages identified and the status of the litigation, Alliant Energy is currently unable to provide an estimate of potential loss or range of potential loss.

Other - Alliant Energy is involved in other legal and administrative proceedings before various courts and agencies with respect to matters arising in the ordinary course of business. Although unable to predict the outcome of these matters, Alliant Energy believes that appropriate reserves have been established and final disposition of these actions will not have a material effect on its financial condition or results of operations.

(d) Guarantees and Indemnifications -

RMT - In January 2013, Alliant Energy sold RMT. RMT provided renewable energy services including construction and high voltage connection services for wind and solar projects. As part of the sale, Alliant Energy provided indemnifications to the buyer of RMT for losses resulting from potential breach of the representations and warranties made by Alliant Energy as of the sale date and for the potential breach of its obligations under the sale agreement. These indemnifications are limited to $3 million and expire in July 2014.

In addition, Alliant Energy, as part of the sale, indemnified the buyer for any claims, including claims of warranty under the project obligations that were commenced or are based on actions that occurred prior to the sale, except for liabilities already accounted for through adjustments to the purchase price. The indemnification obligations either cease to exist when the statute of limitation for such claims is met or, in the case of RMT’s projects, when the warranty period under the agreements expires. The warranty periods for RMT’s projects generally range from 12 to 60 months with the latest expiring in 2016.

Alliant Energy also continues to guarantee RMT’s performance obligations related to certain of RMT’s projects that were commenced prior to Alliant Energy’s sale of RMT. As of December 31, 2013, Alliant Energy had $347 million of performance guarantees outstanding with $294 million and $53 million expiring in 2014 and 2015, respectively.

Although Alliant Energy has received warranty claims related to certain of these projects, it does not currently believe that material losses are both probable and reasonably estimated, and therefore, has not recognized any material liabilities related to these matters as of December 31, 2013. Due to the early stages of the warranty claims, Alliant Energy is currently unable to provide an estimate of potential loss or range of potential loss. Refer to Note 19 for further discussion of RMT.

Whiting Petroleum - In 2004, Alliant Energy sold its remaining interest in Whiting Petroleum. Whiting Petroleum is an independent oil and gas company. Alliant Energy continues to guarantee the obligations related to the abandonment of certain platforms off the coast of California and related onshore plant and equipment that were owned by Whiting Petroleum prior to Alliant Energy’s sale of Whiting Petroleum. The guarantee does not include a maximum limit. As of December 31, 2013, the present value of the abandonment obligations is estimated at $32 million. Alliant Energy believes that no payments will be made under this guarantee. Alliant Energy has not recognized any material liabilities related to this guarantee as of December 31, 2013.

(e) Environmental Matters - Alliant Energy, IPL and WPL are subject to environmental regulations as a result of their current and past operations. These regulations are designed to protect public health and the environment and have resulted in compliance, remediation, containment and monitoring obligations, which are recorded as environmental liabilities. At December 31, current environmental liabilities were included in “Other current liabilities” and non-current environmental liabilities were included in “Other long-term liabilities and deferred credits” on the Consolidated Balance Sheets as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current environmental liabilities</td>
<td>$3.6</td>
<td>$3.7</td>
</tr>
<tr>
<td>Non-current environmental liabilities</td>
<td>15.4</td>
<td>25.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$19.0</strong></td>
<td><strong>$29.0</strong></td>
</tr>
</tbody>
</table>

MGP Sites - IPL and WPL have current or previous ownership interests in various sites that are previously associated with the production of gas for which IPL and WPL have, or may have in the future, liability for investigation, remediation and monitoring costs. IPL and WPL are working pursuant to the requirements of various federal and state agencies to investigate, mitigate, prevent and remediate, where necessary, the environmental impacts to property, including natural resources, at and around these former MGP sites in order to protect public health and the environment. IPL and WPL are currently monitoring and/or remediating 27 and 5 sites, respectively.
Alliant Energy records environmental liabilities related to these former MGP sites based upon periodic studies. Such amounts are based on the best current estimate of the remaining amount to be incurred for investigation, remediation and monitoring costs for those sites where the investigation process has been or is substantially completed, and the minimum of the estimated cost range for those sites where the investigation is in its earlier stages. There are inherent uncertainties associated with the estimated remaining costs for MGP projects primarily due to unknown site conditions and potential changes in regulatory agency requirements. It is possible that future cost estimates will be greater than current estimates as the investigation process proceeds and as additional facts become known. The amounts recognized as liabilities are reduced for expenditures incurred and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted. Management currently estimates the range of remaining costs to be incurred for the investigation, remediation and monitoring of these sites to be $13 million ($11 million for IPL and $2 million for WPL) to $30 million ($27 million for IPL and $3 million for WPL). At December 31, 2013, Alliant Energy recorded $19 million in other current and non-current environmental liabilities for its remaining costs to be incurred for these MGP sites.

Refer to Note 2 for discussion of regulatory assets recorded by IPL and WPL, which reflect the probable future rate recovery of MGP expenditures. Considering the current rate treatment, and assuming no material change therein, Alliant Energy believes that the clean-up costs incurred for these MGP sites will not have a material effect on its financial condition or results of operations. Settlement has been reached with all of IPL’s and WPL’s insurance carriers regarding reimbursement for their MGP-related costs and such amounts have been accounted for as directed by the applicable regulatory jurisdiction.

**WPL Consent Decree** - In 2009, the EPA sent an NOV to WPL as an owner and the operator of Edgewater, Nelson Dewey and Columbia alleging that the owners of Edgewater, Nelson Dewey and Columbia failed to comply with appropriate pre-construction review and permitting requirements and as a result violated the PSD program requirements, Title V Operating Permit requirements of the CAA and the Wisconsin SIP. In 2010, the Sierra Club filed complaints against WPL, as owner and operator of Nelson Dewey and Columbia, and separately as owner and operator of Edgewater, based on allegations that modifications were made at the facilities without complying with the PSD program requirements, Title V Operating Permit requirements of the CAA and state regulatory counterparts contained within the Wisconsin SIP designed to implement the CAA.

In April 2013, WPL, along with the other owners of Edgewater and Columbia, entered into a Consent Decree with the EPA and the Sierra Club to resolve the claims relating to Edgewater, Columbia and Nelson Dewey, while admitting no liability. In June 2013, the Consent Decree was approved by the Court, thereby resolving all claims against WPL. Under the Consent Decree, WPL is required to install the following emission controls systems:

- SCR system at Edgewater Unit 5 by May 1, 2013 (placed in-service in December 2012);
- Scrubbers and baghouses at Columbia Units 1 and 2 by December 31, 2014;
- Scrubber and baghouse at Edgewater Unit 5 by December 31, 2016; and
- SCR system at Columbia Unit 2 by December 31, 2018.

WPL is also required to fuel switch or retire Nelson Dewey Units 1 and 2 and Edgewater Unit 3 by December 31, 2015, and Edgewater Unit 4 by December 31, 2018. In addition, the Consent Decree establishes emission rate limits for SO2, NOx and PM for Columbia Units 1 and 2, Nelson Dewey Units 1 and 2 and Edgewater Units 4 and 5. The Consent Decree also includes annual plant-wide emission caps for SO2 and NOx for Columbia, Edgewater and Nelson Dewey. WPL paid a civil penalty of approximately $2 million in 2013 and will complete approximately $7 million in environmental mitigation projects.

Final recovery of the costs expected to be incurred related to the Consent Decree will be decided by the PSCW in future rate cases or other proceedings. Alliant Energy currently expects to recover any material costs incurred by WPL related to compliance with the terms of the Consent Decree from WPL’s electric customers, except for costs related to certain of the environmental mitigation projects and the civil penalty.

**Other Environmental Contingencies** - In addition to the environmental liabilities discussed above, Alliant Energy is also monitoring various environmental regulations that may have a significant impact on its future operations. Several of these environmental regulations are subject to legal challenges, reconsideration and/or other uncertainties. Given uncertainties regarding the outcome, timing and compliance plans for these environmental matters, Alliant Energy is currently not able to determine the complete financial impact of these regulations but does believe that future capital investments and/or modifications to its EGU’s to comply with these regulations could be significant. Specific current, proposed or potential
environmental matters that may require significant future expenditures are included below along with a brief description of these environmental regulations.

**Air Quality -**

**CAIR** is an emissions trading program that requires SO2 and NOx emissions reductions at certain of IPL’s and WPL’s fossil-fueled EGUs located in Iowa and Wisconsin through installation of emission controls and/or purchases of allowances.

**CAVR** requires states to develop and implement plans to address visibility impairment in designated national parks and wilderness areas. These implementation plans require BART emission controls and other additional measures needed for reducing state contributions to regional haze.

**MATS Rule** requires compliance with emission limits for mercury and other HAPs. Compliance is required by April 2015; however, an entity can request an additional year for compliance for certain EGUs.

**Wisconsin State Mercury Rule** requires WPL’s existing coal-fueled EGUs to comply with mercury emission limits beginning in 2010.

**Industrial Boiler and Process Heater MACT Rule** requires compliance with HAPs emission limitations at certain EGUs and fossil-fueled auxiliary boilers and process heaters located at EGUs by early 2016.

**Ozone NAAQS Rule** may require a reduction of NOx emissions in certain non-attainment areas based on classifications assigned by the EPA. In 2012, the EPA issued a final rule that classifies Sheboygan County in Wisconsin as marginal ozone non-attainment, which requires this area to achieve compliance with the ozone NAAQS by December 2015. WPL operates Edgewater and Sheboygan Falls in Sheboygan County, Wisconsin.

**Fine Particulate Matter (PM2.5) NAAQS Rule** requires a reduction of SO2, NOx and PM emissions in certain non-attainment areas. The EPA is expected to designate non-attainment areas for the revised annual PM2.5 NAAQS by December 2014. Compliance with the final rule is expected to be required by 2020 for non-attainment areas designated in 2014.

**EPA NSPS for GHG Emissions from Electric Utilities** would establish CO2 emissions limits for certain new fossil-fueled EGUs. Marshalltown is expected to be impacted by these proposed standards and would be constructed to achieve compliance with these standards. Also, WPL’s potential generation investment could be impacted by these standards. A date for finalizing these standards has not yet been established. The EPA is expected to issue proposed and final NSPS for GHG emissions for existing EGUs by June 1, 2014 and June 1, 2015, respectively, which would provide guidelines that states must follow to achieve required GHG emissions reductions. SIPs that provide details of how these guidelines are to be met would be required from state agencies by June 30, 2016.

**Water Quality -**

**Section 316(b) of the Federal Clean Water Act** proposal would require modifications to cooling water intake structures to assure that these structures reflect the “best technology available” for minimizing adverse environmental impacts to fish and other aquatic life.

**Hydroelectric Fish Passage Device** - WPL is currently required to install an agency-approved fish passage device at its Prairie du Sac hydro plant by July 1, 2015.

**Effluent Limitation Guidelines** proposal would require changes to discharge limits for wastewater from steam EGUs. Compliance with these proposed guidelines would be required after July 1, 2017 but before July 1, 2022, depending on each facility’s wastewater permit cycle for existing steam EGUs and immediately upon operation for new steam EGUs constructed after the issuance of the final guidelines.

**Land and Solid Waste -**

**CCR** could impose additional requirements for CCR management, beneficial use applications and disposal including operation and maintenance of coal ash surface impoundments (ash ponds) and/or landfills.

**(f) Credit Risk** - Alliant Energy, IPL and WPL are subject to credit risk related to the ability of counterparties to meet their contractual payment obligations or the potential non-performance of counterparties to deliver contracted commodities and other goods or services at the contracted price.
IPL and WPL provide regulated electricity and natural gas services to residential, commercial, industrial and wholesale customers in the Midwest region of the U.S. The geographic concentration of their customers did not contribute significantly to their overall exposure to credit risk. In addition, as a result of their diverse customer base, IPL and WPL did not have any significant concentration of credit risk for receivables arising from the sale of electricity or natural gas services.

IPL and WPL are typically net buyers of commodities (primarily electricity, coal and natural gas) required to provide regulated electricity and natural gas services to their customers. As a result, IPL and WPL are also subject to credit risk related to their counterparties’ failures to deliver commodities at the contracted price.

Alliant Energy, IPL and WPL maintain credit policies to minimize their credit risk. These credit policies include evaluation of the financial condition of counterparties, use of credit risk-related contingent provisions in certain commodity agreements that require credit support from counterparties that exceed certain exposure limits, diversification of counterparties to minimize concentrations of credit risk and the use of standardized agreements that facilitate the netting of cash flows associated with a single counterparty.

In 2013, IPL entered into a new PPA, which grants IPL rights to purchase 431 MWs of capacity and the resulting energy from DAEC for a term from the expiration of the existing PPA in February 2014 through December 31, 2025. This PPA exposes Alliant Energy and IPL to risk of counterparty non-performance. However, such risk is mitigated by IPL’s fuel-related cost recovery mechanisms. Refer to Note 16(b) for further discussion of the DAEC PPA.

Based on these credit policies and utility cost recovery mechanisms, it is unlikely that a material effect on Alliant Energy’s financial condition or results of operations would occur as a result of counterparty non-performance. However, there is no assurance that such policies will protect Alliant Energy against all losses from non-performance by counterparties.

Refer to Notes 1(m) and 15 for details of allowances for doubtful accounts and credit risk-related contingent features, respectively.

(g) Collective Bargaining Agreements - At December 31, 2013, employees covered by collective bargaining agreements represented 57%, 67% and 80% of total employees of Alliant Energy, IPL and WPL, respectively. In May 2014, WPL’s collective bargaining agreement with International Brotherhood of Electrical Workers Local 965 expires, representing 26% and 80% of total employees of Alliant Energy and WPL, respectively.

(17) SEGMENTS OF BUSINESS
Alliant Energy’s principal businesses as of December 31, 2013 are:

- **Utility** - includes the operations of IPL and WPL, which serve customers in Iowa, Wisconsin and Minnesota. The utility business has three reportable segments: a) utility electric operations; b) utility gas operations; and c) utility other, which includes steam operations and the unallocated portions of the utility business. Various line items in the following tables are not allocated to the electric and gas segments for management reporting purposes, and therefore, are included only in “Total Utility.”

- **Non-regulated, Parent and Other** - includes the operations of Resources and its subsidiaries, Corporate Services, the Alliant Energy parent company, and any Alliant Energy parent company consolidating adjustments. Resources’ businesses include Transportation, Non-regulated Generation and other non-regulated investments described in Note 1(a).

Alliant Energy’s administrative support services are directly charged to the applicable segment where practicable. In all other cases, administrative support services are allocated to the applicable segment based on services agreements. Intersegment revenues were not material to Alliant Energy’s operations and there was no single customer whose revenues were 10% or more of Alliant Energy’s consolidated revenues. Certain financial information relating to Alliant Energy’s business segments, products and services and geographic information was as follows (in millions):
### 2013

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
<th>Other</th>
<th>Total</th>
<th>Non-Regulated, Parent and Other</th>
<th>Alliant Energy Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td>$2,689.0</td>
<td>$464.8</td>
<td>$71.3</td>
<td>$3,225.1</td>
<td>$51.7</td>
<td>$3,276.8</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>333.0</td>
<td>28.8</td>
<td>1.5</td>
<td>363.3</td>
<td>7.6</td>
<td>370.9</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>444.5</td>
<td>57.3</td>
<td>6.3</td>
<td>508.1</td>
<td>25.8</td>
<td>533.9</td>
</tr>
<tr>
<td><strong>Interest expense, net of AFUDC</strong></td>
<td>135.5</td>
<td>6.5</td>
<td>142.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity income from unconsolidated investments, net</strong></td>
<td>(43.7)</td>
<td>—</td>
<td>—</td>
<td>(43.7)</td>
<td>—</td>
<td>(43.7)</td>
</tr>
<tr>
<td><strong>Interest income and other</strong></td>
<td>(0.4)</td>
<td>—</td>
<td>—</td>
<td>(0.4)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>49.3</td>
<td>4.6</td>
<td>53.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income from continuing operations, net of tax</strong></td>
<td>367.4</td>
<td>14.7</td>
<td>382.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>367.4</td>
<td>8.8</td>
<td>376.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Preferred dividends</strong></td>
<td>17.9</td>
<td>—</td>
<td>17.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to Alliant Energy common shareowners</strong></td>
<td>349.5</td>
<td>8.8</td>
<td>358.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>9,018.6</td>
<td>859.3</td>
<td>732.5</td>
<td>10,610.4</td>
<td>502.0</td>
<td>11,112.4</td>
</tr>
<tr>
<td><strong>Investments in equity method subsidiaries</strong></td>
<td>279.1</td>
<td>—</td>
<td>2.3</td>
<td>281.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Construction and acquisition expenditures</strong></td>
<td>677.3</td>
<td>47.0</td>
<td>731.6</td>
<td>667.7</td>
<td>798.3</td>
<td></td>
</tr>
</tbody>
</table>

### 2012

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
<th>Other</th>
<th>Total</th>
<th>Non-Regulated, Parent and Other</th>
<th>Alliant Energy Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td>$2,589.3</td>
<td>$396.3</td>
<td>$56.7</td>
<td>$3,042.3</td>
<td>$52.2</td>
<td>$3,094.5</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>299.3</td>
<td>29.1</td>
<td>1.4</td>
<td>329.8</td>
<td>2.6</td>
<td>332.4</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>426.2</td>
<td>51.5</td>
<td>7.4</td>
<td>485.1</td>
<td>34.6</td>
<td>519.7</td>
</tr>
<tr>
<td><strong>Interest expense, net of AFUDC</strong></td>
<td>136.8</td>
<td></td>
<td></td>
<td>134.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity (income) loss from unconsolidated investments, net</strong></td>
<td>(42.1)</td>
<td>—</td>
<td>—</td>
<td>(42.1)</td>
<td>0.8</td>
<td>(41.3)</td>
</tr>
<tr>
<td><strong>Interest income and other</strong></td>
<td>(0.3)</td>
<td>(3.7)</td>
<td></td>
<td>(4.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>74.8</td>
<td>14.6</td>
<td>89.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income from continuing operations, net of tax</strong></td>
<td>315.9</td>
<td>24.9</td>
<td>340.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>315.9</td>
<td>19.8</td>
<td>335.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Preferred dividends</strong></td>
<td>15.9</td>
<td>—</td>
<td>15.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to Alliant Energy common shareowners</strong></td>
<td>300.0</td>
<td>19.8</td>
<td>319.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>8,438.8</td>
<td>814.8</td>
<td>966.0</td>
<td>10,219.6</td>
<td>565.9</td>
<td>10,785.5</td>
</tr>
<tr>
<td><strong>Investments in equity method subsidiaries</strong></td>
<td>264.3</td>
<td>—</td>
<td>2.3</td>
<td>266.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Construction and acquisition expenditures</strong></td>
<td>994.0</td>
<td>31.4</td>
<td>0.1</td>
<td>1,025.5</td>
<td>132.6</td>
<td>1,158.1</td>
</tr>
</tbody>
</table>

### 2011

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
<th>Other</th>
<th>Total</th>
<th>Non-Regulated, Parent and Other</th>
<th>Alliant Energy Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td>$2,635.8</td>
<td>$476.7</td>
<td>$62.0</td>
<td>$3,174.5</td>
<td>$46.9</td>
<td>$3,221.4</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>289.0</td>
<td>28.4</td>
<td>1.8</td>
<td>319.2</td>
<td>1.8</td>
<td>321.0</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>444.2</td>
<td>47.8</td>
<td>(3.2)</td>
<td>488.8</td>
<td>24.5</td>
<td>513.3</td>
</tr>
<tr>
<td><strong>Interest expense, net of AFUDC</strong></td>
<td>146.6</td>
<td></td>
<td></td>
<td>146.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity income from unconsolidated investments, net</strong></td>
<td>(38.7)</td>
<td>—</td>
<td>—</td>
<td>(38.7)</td>
<td>(0.6)</td>
<td>(39.3)</td>
</tr>
<tr>
<td><strong>Interest income and other</strong></td>
<td>(0.2)</td>
<td>(4.1)</td>
<td></td>
<td>(4.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income tax expense (benefit)</strong></td>
<td>78.3</td>
<td>(9.1)</td>
<td></td>
<td>69.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income from continuing operations, net of tax</strong></td>
<td>302.8</td>
<td>38.6</td>
<td>341.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loss from discontinued operations, net of tax</strong></td>
<td>—</td>
<td>(19.5)</td>
<td>(19.5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>302.8</td>
<td>19.1</td>
<td>321.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Preferred dividends</strong></td>
<td>18.3</td>
<td>—</td>
<td>18.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to Alliant Energy common shareowners</strong></td>
<td>284.5</td>
<td>19.1</td>
<td>303.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>7,524.5</td>
<td>831.9</td>
<td>781.1</td>
<td>9,137.5</td>
<td>550.4</td>
<td>9,687.9</td>
</tr>
<tr>
<td><strong>Investments in equity method subsidiaries</strong></td>
<td>246.5</td>
<td>—</td>
<td>246.5</td>
<td>249.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Construction and acquisition expenditures</strong></td>
<td>542.7</td>
<td>38.0</td>
<td>27.4</td>
<td>608.1</td>
<td>65.3</td>
<td>673.4</td>
</tr>
</tbody>
</table>
**Products and Services** - Alliant Energy’s consolidated operating revenues by segment were as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility electric operations</td>
<td>82%</td>
<td>84%</td>
<td>82%</td>
</tr>
<tr>
<td>Utility gas operations</td>
<td>14%</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td>Utility other</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Geographic Information** - At December 31, 2013, 2012 and 2011, Alliant Energy did not have any long-lived assets to be held and used in foreign countries.

(18) **RELATED PARTIES**

**ATC** - Pursuant to various agreements, WPL receives a range of transmission services from ATC. WPL provides operation, maintenance, and construction services to ATC. WPL and ATC also bill each other for use of shared facilities owned by each party. The related amounts billed between the parties were as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATC billings to WPL</td>
<td>$96</td>
<td>$90</td>
<td>$90</td>
</tr>
<tr>
<td>WPL billings to ATC</td>
<td>12</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>

As of December 31, 2013 and 2012, WPL owed ATC net amounts of $8 million and $6 million, respectively.

(19) **DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE**

In 2011, Alliant Energy sold its IEA business and RMT’s environmental business unit to narrow its strategic focus and risk profile and received aggregate net proceeds of $17 million for these businesses. In 2013, Alliant Energy sold the remainder of its RMT business to further narrow its strategic focus and risk profile. Alliant Energy did not recognize any material gains or losses related to the sales of these businesses. Alliant Energy does not currently believe that adjustments to the gain or loss related to the sale of the remainder of RMT in periods after December 31, 2013 will be material.

The operating results of RMT and IEA have been separately classified and reported as discontinued operations in the Consolidated Statements of Income. A summary of the components of discontinued operations in the Consolidated Statements of Income was as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$0.9</td>
<td>$289.2</td>
<td>$445.0</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>9.9</td>
<td>297.0</td>
<td>476.9</td>
</tr>
<tr>
<td>Interest expense and other</td>
<td>—</td>
<td>0.7</td>
<td>—</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(9.0)</td>
<td>(8.5)</td>
<td>(31.9)</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>(3.1)</td>
<td>(3.4)</td>
<td>(12.4)</td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td>($5.9)</td>
<td>($5.1)</td>
<td>($19.5)</td>
</tr>
</tbody>
</table>

As of December 31, 2012, the Consolidated Balance Sheet included assets held for sale recorded in “Other current assets” and liabilities held for sale recorded in “Other current liabilities” as follows (in millions):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$27.9</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>31.4</td>
</tr>
<tr>
<td>Net liabilities held for sale</td>
<td>($3.5)</td>
</tr>
</tbody>
</table>
(20) SELECTED CONSOLIDATED QUARTERLY FINANCIAL DATA (UNAUDITED)

All “per share” references refer to earnings per diluted share. Summation of the individual quarters may not equal annual totals due to rounding. Refer to Note 19 for additional information on discontinued operations.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31</td>
<td>June 30</td>
</tr>
<tr>
<td></td>
<td>March 31</td>
<td>June 30</td>
</tr>
<tr>
<td>Operating revenues</td>
<td>$859.6</td>
<td>$718.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>120.7</td>
<td>103.2</td>
</tr>
<tr>
<td>Amounts attributable to Alliant Energy common shareholders:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from continuing operations, net of tax</td>
<td>72.9</td>
<td>65.9</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of tax</td>
<td>(3.0)</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Net income</td>
<td>69.9</td>
<td>65.3</td>
</tr>
<tr>
<td>Earnings per weighted average common share attributable to Alliant Energy common shareholders:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from continuing operations, net of tax</td>
<td>0.66</td>
<td>0.59</td>
</tr>
<tr>
<td>Income (loss) from discontinued operations, net of tax</td>
<td>(0.03)</td>
<td>—</td>
</tr>
<tr>
<td>Net income</td>
<td>0.63</td>
<td>0.59</td>
</tr>
</tbody>
</table>
## SELECTED FINANCIAL AND OPERATING STATISTICS

### Financial Information

<table>
<thead>
<tr>
<th></th>
<th>2013 (a)</th>
<th>2012 (a)</th>
<th>2011 (a)</th>
<th>2010</th>
<th>2009 (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
</tr>
<tr>
<td><strong>Operating Statement Data:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from continuing operations, net of tax</td>
<td><strong>382.1</strong></td>
<td><strong>340.8</strong></td>
<td><strong>341.4</strong></td>
<td><strong>310.2</strong></td>
<td><strong>130.3</strong></td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td><strong>(5.9)</strong></td>
<td><strong>(5.1)</strong></td>
<td><strong>(19.5)</strong></td>
<td><strong>(3.9)</strong></td>
<td><strong>(0.6)</strong></td>
</tr>
<tr>
<td>Net income</td>
<td><strong>376.2</strong></td>
<td><strong>335.7</strong></td>
<td><strong>321.9</strong></td>
<td><strong>306.3</strong></td>
<td><strong>129.7</strong></td>
</tr>
</tbody>
</table>

Amounts attributable to Alliant Energy common shareholders:

<table>
<thead>
<tr>
<th></th>
<th>2013 (a)</th>
<th>2012 (a)</th>
<th>2011 (a)</th>
<th>2010</th>
<th>2009 (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
<td>(dollars in millions, except per share data)</td>
</tr>
<tr>
<td>Income from continuing operations, net of tax</td>
<td><strong>364.2</strong></td>
<td><strong>324.9</strong></td>
<td><strong>323.1</strong></td>
<td><strong>291.5</strong></td>
<td><strong>111.6</strong></td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td><strong>(5.9)</strong></td>
<td><strong>(5.1)</strong></td>
<td><strong>(19.5)</strong></td>
<td><strong>(3.9)</strong></td>
<td><strong>(0.6)</strong></td>
</tr>
<tr>
<td>Net income</td>
<td><strong>358.3</strong></td>
<td><strong>319.8</strong></td>
<td><strong>303.6</strong></td>
<td><strong>287.6</strong></td>
<td><strong>111.0</strong></td>
</tr>
</tbody>
</table>

### Common Stock Data:

Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):

<table>
<thead>
<tr>
<th></th>
<th>2013 (a)</th>
<th>2012 (a)</th>
<th>2011 (a)</th>
<th>2010</th>
<th>2009 (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations, net of tax</td>
<td><strong>$3.29</strong></td>
<td><strong>$2.93</strong></td>
<td><strong>$2.92</strong></td>
<td><strong>$2.64</strong></td>
<td><strong>$1.01</strong></td>
</tr>
<tr>
<td>Loss from discontinued operations, net of tax</td>
<td><strong>($0.06)</strong></td>
<td><strong>($0.04)</strong></td>
<td><strong>($0.18)</strong></td>
<td><strong>($0.04)</strong></td>
<td><strong>$—</strong></td>
</tr>
<tr>
<td>Net income</td>
<td><strong>$3.23</strong></td>
<td><strong>$2.89</strong></td>
<td><strong>$2.74</strong></td>
<td><strong>$2.60</strong></td>
<td><strong>$1.01</strong></td>
</tr>
</tbody>
</table>

Common shares outstanding at year-end (000s) | **110,944** | **110,987** | **111,019** | **110,894** | **110,656** |

Dividends declared per common share | **$1.88** | **$1.80** | **$1.70** | **$1.58** | **$1.50** |

Market value per share at year-end | **$51.60** | **$43.91** | **$44.11** | **$36.77** | **$30.26** |

Market capitalization at year-end | **$5,724.7** | **$4,873.4** | **$4,897.0** | **$4,077.6** | **$3,348.5** |

### Other Selected Financial Data:

<table>
<thead>
<tr>
<th></th>
<th>2013 (a)</th>
<th>2012 (a)</th>
<th>2011 (a)</th>
<th>2010</th>
<th>2009 (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td><strong>$731.0</strong></td>
<td><strong>$841.1</strong></td>
<td><strong>$702.7</strong></td>
<td><strong>$984.9</strong></td>
<td><strong>$657.1</strong></td>
</tr>
<tr>
<td>Construction and acquisition expenditures</td>
<td><strong>$798.3</strong></td>
<td><strong>$1,158.1</strong></td>
<td><strong>$673.4</strong></td>
<td><strong>$866.9</strong></td>
<td><strong>$1,202.6</strong></td>
</tr>
<tr>
<td>Total assets at year-end</td>
<td><strong>$11,112.4</strong></td>
<td><strong>$10,785.5</strong></td>
<td><strong>$9,687.9</strong></td>
<td><strong>$9,282.9</strong></td>
<td><strong>$9,036.0</strong></td>
</tr>
<tr>
<td>Long-term obligations, net</td>
<td><strong>$3,338.1</strong></td>
<td><strong>$3,141.5</strong></td>
<td><strong>$2,708.0</strong></td>
<td><strong>$2,710.3</strong></td>
<td><strong>$2,512.2</strong></td>
</tr>
<tr>
<td>Times interest earned before income taxes (c)</td>
<td><strong>3.52X</strong></td>
<td><strong>3.75X</strong></td>
<td><strong>3.59X</strong></td>
<td><strong>3.81X</strong></td>
<td><strong>1.80X</strong></td>
</tr>
</tbody>
</table>

### Capitalization ratios:

<table>
<thead>
<tr>
<th></th>
<th>2013 (a)</th>
<th>2012 (a)</th>
<th>2011 (a)</th>
<th>2010</th>
<th>2009 (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common equity</td>
<td><strong>46%</strong></td>
<td><strong>47%</strong></td>
<td><strong>50%</strong></td>
<td><strong>49%</strong></td>
<td><strong>49%</strong></td>
</tr>
<tr>
<td>Preferred stock of subsidiaries</td>
<td><strong>3%</strong></td>
<td><strong>3%</strong></td>
<td><strong>3%</strong></td>
<td><strong>4%</strong></td>
<td><strong>4%</strong></td>
</tr>
<tr>
<td>Long- and short-term debt</td>
<td><strong>51%</strong></td>
<td><strong>50%</strong></td>
<td><strong>47%</strong></td>
<td><strong>47%</strong></td>
<td><strong>47%</strong></td>
</tr>
<tr>
<td>Total</td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

(a) Refer to “Results of Operations” in MDA for discussion of the 2013, 2012 and 2011 results of operations.
(b) In 2009, Alliant Energy incurred $203 million of pre-tax losses related to the repurchase of its 2.5% Exchangeable Senior Notes due 2030.
(c) Represents the sum of income from continuing operations before income taxes plus interest expense, divided by interest expense. The calculation does not consider the “Loss on early extinguishment of debt” that Alliant Energy has incurred as part of interest expense.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues (in millions):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>$1,009.1</td>
<td>$975.9</td>
<td>$985.8</td>
<td>$1,001.5</td>
<td>$868.6</td>
</tr>
<tr>
<td>Commercial</td>
<td>649.4</td>
<td>611.4</td>
<td>612.1</td>
<td>619.0</td>
<td>556.8</td>
</tr>
<tr>
<td>Industrial</td>
<td>765.4</td>
<td>741.8</td>
<td>748.9</td>
<td>762.8</td>
<td>710.7</td>
</tr>
<tr>
<td>Retail subtotal</td>
<td>2,423.9</td>
<td>2,329.1</td>
<td>2,346.8</td>
<td>2,383.3</td>
<td>2,136.1</td>
</tr>
<tr>
<td>Sales for resale:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td>195.4</td>
<td>187.6</td>
<td>189.8</td>
<td>196.8</td>
<td>190.1</td>
</tr>
<tr>
<td>Bulk power and other</td>
<td>17.7</td>
<td>23.8</td>
<td>52.2</td>
<td>44.1</td>
<td>98.3</td>
</tr>
<tr>
<td>Other</td>
<td>52.0</td>
<td>48.8</td>
<td>47.0</td>
<td>50.0</td>
<td>51.4</td>
</tr>
<tr>
<td>Total</td>
<td>$2,689.0</td>
<td>$2,589.3</td>
<td>$2,635.8</td>
<td>$2,674.2</td>
<td>$2,475.9</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Electric Sales (000s MWh):</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Residential</td>
<td>7,824</td>
<td>7,679</td>
<td>7,740</td>
<td>7,836</td>
<td>7,532</td>
</tr>
<tr>
<td>Commercial</td>
<td>6,432</td>
<td>6,352</td>
<td>6,253</td>
<td>6,219</td>
<td>6,108</td>
</tr>
<tr>
<td>Industrial</td>
<td>11,471</td>
<td>11,555</td>
<td>11,504</td>
<td>11,213</td>
<td>10,948</td>
</tr>
<tr>
<td>Retail subtotal</td>
<td>25,727</td>
<td>25,586</td>
<td>25,497</td>
<td>25,268</td>
<td>24,588</td>
</tr>
<tr>
<td>Sales for resale:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td>3,564</td>
<td>3,317</td>
<td>3,372</td>
<td>3,325</td>
<td>3,251</td>
</tr>
<tr>
<td>Bulk power and other</td>
<td>763</td>
<td>1,303</td>
<td>1,757</td>
<td>1,378</td>
<td>2,583</td>
</tr>
<tr>
<td>Other</td>
<td>152</td>
<td>151</td>
<td>151</td>
<td>153</td>
<td>155</td>
</tr>
<tr>
<td>Total</td>
<td>30,206</td>
<td>30,357</td>
<td>30,777</td>
<td>30,124</td>
<td>30,577</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Customers (End of Period):</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>847,350</td>
<td>844,388</td>
<td>842,780</td>
<td>841,726</td>
<td>840,927</td>
</tr>
<tr>
<td>Commercial</td>
<td>138,520</td>
<td>137,791</td>
<td>136,732</td>
<td>135,832</td>
<td>135,099</td>
</tr>
<tr>
<td>Industrial</td>
<td>2,881</td>
<td>2,842</td>
<td>2,895</td>
<td>2,875</td>
<td>2,881</td>
</tr>
<tr>
<td>Other</td>
<td>3,657</td>
<td>3,647</td>
<td>3,638</td>
<td>3,632</td>
<td>3,555</td>
</tr>
<tr>
<td>Total</td>
<td>992,408</td>
<td>988,668</td>
<td>986,045</td>
<td>984,065</td>
<td>982,462</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Selected Electric Data:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum peak hour demand (MW)</td>
<td>5,820</td>
<td>5,886</td>
<td>5,734</td>
<td>5,425</td>
<td>5,491</td>
</tr>
<tr>
<td>Cooling degree days (a):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cedar Rapids, Iowa (IPL) (normal - 740)</td>
<td>884</td>
<td>1,052</td>
<td>887</td>
<td>923</td>
<td>406</td>
</tr>
<tr>
<td>Madison, Wisconsin (WPL) (normal - 625)</td>
<td>709</td>
<td>1,070</td>
<td>814</td>
<td>829</td>
<td>368</td>
</tr>
<tr>
<td>Sources of electric energy (000s MWh):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>14,873</td>
<td>14,680</td>
<td>16,440</td>
<td>16,366</td>
<td>15,321</td>
</tr>
<tr>
<td>Purchased power:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuclear (b)</td>
<td>5,544</td>
<td>5,483</td>
<td>5,483</td>
<td>5,667</td>
<td>5,428</td>
</tr>
<tr>
<td>Wind (c)</td>
<td>1,201</td>
<td>1,188</td>
<td>1,285</td>
<td>1,254</td>
<td>957</td>
</tr>
<tr>
<td>Other (c)</td>
<td>5,541</td>
<td>7,053</td>
<td>6,244</td>
<td>6,260</td>
<td>8,585</td>
</tr>
<tr>
<td>Gas</td>
<td>2,224</td>
<td>1,285</td>
<td>588</td>
<td>633</td>
<td>661</td>
</tr>
<tr>
<td>Wind (c)</td>
<td>1,375</td>
<td>1,198</td>
<td>1,188</td>
<td>588</td>
<td>222</td>
</tr>
<tr>
<td>Other (c)</td>
<td>200</td>
<td>183</td>
<td>225</td>
<td>232</td>
<td>180</td>
</tr>
<tr>
<td>Total</td>
<td>30,958</td>
<td>31,070</td>
<td>31,453</td>
<td>31,000</td>
<td>31,354</td>
</tr>
<tr>
<td>Revenue per KWh sold to retail customers (cents)</td>
<td>9.42</td>
<td>9.10</td>
<td>9.20</td>
<td>9.43</td>
<td>8.69</td>
</tr>
</tbody>
</table>

(a) Cooling degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical cooling degree days.
(b) 2013 MWh includes replacement energy provided under the Kewaunee PPA after Kewaunee was shut down in May 2013.
(c) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements, or sold to third parties in the form of renewable energy credits or other environmental commodities.
### Gas Operating Information

#### Operating Revenues (in millions):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$262.5</td>
<td>$224.3</td>
<td>$269.7</td>
<td>$273.7</td>
<td>$290.8</td>
</tr>
<tr>
<td>Commercial</td>
<td>150.3</td>
<td>124.3</td>
<td>155.1</td>
<td>154.2</td>
<td>174.7</td>
</tr>
<tr>
<td>Industrial</td>
<td>21.1</td>
<td>16.7</td>
<td>24.5</td>
<td>27.3</td>
<td>30.7</td>
</tr>
<tr>
<td>Retail subtotal</td>
<td>433.9</td>
<td>365.3</td>
<td>449.3</td>
<td>455.2</td>
<td>496.2</td>
</tr>
<tr>
<td>Transportation/other</td>
<td>30.9</td>
<td>31.0</td>
<td>27.4</td>
<td>25.4</td>
<td>29.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$464.8</strong></td>
<td><strong>$396.3</strong></td>
<td><strong>$476.7</strong></td>
<td><strong>$480.6</strong></td>
<td><strong>$525.3</strong></td>
</tr>
</tbody>
</table>

#### Gas Sales (000s Dths):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>29,916</td>
<td>23,071</td>
<td>26,891</td>
<td>27,128</td>
<td>27,711</td>
</tr>
<tr>
<td>Commercial</td>
<td>21,892</td>
<td>17,115</td>
<td>19,271</td>
<td>18,691</td>
<td>20,725</td>
</tr>
<tr>
<td>Industrial</td>
<td>3,803</td>
<td>3,068</td>
<td>3,848</td>
<td>4,158</td>
<td>4,558</td>
</tr>
<tr>
<td>Retail subtotal</td>
<td>55,611</td>
<td>43,254</td>
<td>50,010</td>
<td>49,977</td>
<td>52,994</td>
</tr>
<tr>
<td>Transportation/other</td>
<td>60,261</td>
<td>57,532</td>
<td>52,210</td>
<td>50,408</td>
<td>54,518</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>115,872</strong></td>
<td><strong>100,786</strong></td>
<td><strong>102,220</strong></td>
<td><strong>100,385</strong></td>
<td><strong>107,512</strong></td>
</tr>
</tbody>
</table>

#### Retail Customers at End of Period:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>370,895</td>
<td>368,708</td>
<td>367,497</td>
<td>366,261</td>
<td>365,597</td>
</tr>
<tr>
<td>Commercial</td>
<td>45,874</td>
<td>45,684</td>
<td>45,667</td>
<td>45,552</td>
<td>45,641</td>
</tr>
<tr>
<td>Industrial</td>
<td>441</td>
<td>456</td>
<td>496</td>
<td>549</td>
<td>571</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>417,210</strong></td>
<td><strong>414,848</strong></td>
<td><strong>413,660</strong></td>
<td><strong>412,362</strong></td>
<td><strong>411,809</strong></td>
</tr>
</tbody>
</table>

#### Other Selected Gas Data:

**Heating degree days (a):**

<table>
<thead>
<tr>
<th>Location</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Rapids, Iowa (IPL) (normal - 6,794)</td>
<td>7,232</td>
<td>5,901</td>
<td>6,745</td>
<td>6,868</td>
<td>7,074</td>
</tr>
<tr>
<td>Madison, Wisconsin (WPL) (normal - 7,089)</td>
<td>7,627</td>
<td>5,964</td>
<td>6,992</td>
<td>6,798</td>
<td>7,356</td>
</tr>
<tr>
<td><strong>Revenue per Dth sold to retail customers</strong></td>
<td><strong>$7.80</strong></td>
<td><strong>$8.45</strong></td>
<td><strong>$8.98</strong></td>
<td><strong>$9.11</strong></td>
<td><strong>$9.36</strong></td>
</tr>
<tr>
<td><strong>Purchased gas costs per Dth sold to retail customers</strong></td>
<td><strong>$4.90</strong></td>
<td><strong>$4.94</strong></td>
<td><strong>$5.88</strong></td>
<td><strong>$6.05</strong></td>
<td><strong>$6.47</strong></td>
</tr>
</tbody>
</table>

---

**(a)** Heating degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical heating degree days.
Ages are as of April 1, 2014. Each election date represents the first year of board affiliation with the company.

For detailed information on each board member, please refer to the proxy statement for the 2014 annual meeting of shareowners.
**SHAREOWNER INFORMATION**

### Stock Exchange Listings

<table>
<thead>
<tr>
<th>Stock Exchange Listings</th>
<th>Trading Exchange</th>
<th>Trading Symbol</th>
<th>Newspaper Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliant Energy — Common</td>
<td>New York Stock Exchange</td>
<td>LNT</td>
<td>AlliantEngy</td>
</tr>
<tr>
<td>Interstate Power and Light Company — 5.1% Preferred</td>
<td>New York Stock Exchange</td>
<td>IPL Pr D</td>
<td></td>
</tr>
</tbody>
</table>

### 2014 Record and Dividend Payment Dates

<table>
<thead>
<tr>
<th>Common Stock</th>
<th>Record dates</th>
<th>Payment dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 31</td>
<td>Feb. 14</td>
<td></td>
</tr>
<tr>
<td>Apr. 30</td>
<td>May 15</td>
<td></td>
</tr>
<tr>
<td>July 31</td>
<td>Aug. 15</td>
<td></td>
</tr>
<tr>
<td>Oct. 31</td>
<td>Nov. 14</td>
<td></td>
</tr>
</tbody>
</table>

Alliant Energy Corporation had 30,873 shareowners of record as of December 31, 2013. Shareowner records were maintained by Wells Fargo Shareowner Services in St. Paul, Minn.

### Alliant Energy Common Stock Quarterly Price Ranges and Dividends

<table>
<thead>
<tr>
<th>Quarter</th>
<th>High</th>
<th>Low</th>
<th>Dividend</th>
<th>High</th>
<th>Low</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>$50.23</td>
<td>$43.73</td>
<td>$0.47</td>
<td>$44.57</td>
<td>$41.86</td>
<td>$0.45</td>
</tr>
<tr>
<td>Second</td>
<td>53.52</td>
<td>46.79</td>
<td>0.47</td>
<td>46.00</td>
<td>42.00</td>
<td>0.45</td>
</tr>
<tr>
<td>Third</td>
<td>54.18</td>
<td>48.17</td>
<td>0.47</td>
<td>47.65</td>
<td>42.95</td>
<td>0.45</td>
</tr>
<tr>
<td>Fourth</td>
<td>53.69</td>
<td>48.83</td>
<td>0.47</td>
<td>45.66</td>
<td>42.21</td>
<td>0.45</td>
</tr>
<tr>
<td>Year</td>
<td>54.18</td>
<td>43.73</td>
<td>1.88</td>
<td>47.65</td>
<td>41.86</td>
<td>1.80</td>
</tr>
</tbody>
</table>

Alliant Energy Corporation 2013 year-end common stock closing price: $51.60.

### Analyst Inquiries

Inquiries from the financial community may be directed to:

Susan Trapp Gille
Manager - Investor Relations
4902 North Biltmore Lane
Suite 1000
Madison, WI 53718-2148
Phone: (608) 458-3956
Fax: (608) 458-0132
E-mail: susangille@alliantenergy.com

### Shareowner Direct Plan

The Shareowner Direct Plan is available to all shareowners of record and first-time investors. Through the plan, shareowners may purchase common stock directly through the company without paying any brokerage commissions. Full details are in the prospectus, which can be obtained through our website or by calling Wells Fargo Shareowner Services. Contact information is listed on this page.

### Electronic Access to Alliant Energy's Annual Report, Proxy Statement and Form 10-K

Alliant Energy offers shareowners access to its Annual Report, Proxy Statement and Form 10-K online at alliantenergy.com/investors as a convenient and cost-effective alternative to mailing the printed materials.

Shareowners who have access to the Internet are encouraged to enroll in the electronic access program at the website: shareowneronline.com.

### Direct Deposit

Shareowners who have a desire to reinvest their dividends through the Shareowner Direct Plan may choose to have their quarterly dividend electronically deposited into their checking or savings account. Electronic deposit may be initiated or changed through the website at shareowneronline.com or by calling Wells Fargo Shareowner Services. Contact information is listed on this page.

### Duplicate Mailings

Shares owned by one person but held in different forms of the same name result in duplicate mailing of shareowner information at added expense to the Company. Such duplication can be eliminated only at the direction of the shareowner. Please notify Wells Fargo Shareowner Services in order to eliminate duplication. Contact information is listed on this page.

### Stock Transfer Agent, Registrar and Dividend Payments

Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
MAC N9173-010
Mendota Heights, MN 55120
or
P.O. Box 64856
St. Paul, MN 55164-9442
Phone: 1-800-356-5343
7 a.m. to 7 p.m. CDT, Monday through Friday.
shareowneronline.com
Fax: (651) 450-4085

### Historical Research/Other Company Information

For assistance with account history for calculating your cost basis or requests for copies of our Annual Report, Proxy Statement and Form 10-K, please contact Alliant Energy Shareowner Services in Madison, Wis. using the contact information below.

### Additional Corporate Inquiries/Information

Alliant Energy
Shareowner Services
4902 North Biltmore Lane
P.O. Box 14720
Madison, WI 53708-0720
1-800-353-1089
Email: shareownerservices@alliantenergy.com
Mission Statement

We deliver the energy and exceptional service that our customers and communities count on – safely, efficiently and responsibly.