

ALLIANT ENERGY CORP
Form 10-Q
August 06, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2015

or

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

For the transition period from _____ to _____

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

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

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

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

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

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

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

Number of shares outstanding of each class of common stock as of June 30, 2015:

| | |
|------------------------------------|---|
| Alliant Energy Corporation | Common stock, \$0.01 par value, 113,263,624 shares outstanding |
| Interstate Power and Light Company | Common stock, \$2.50 par value, 13,370,788 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation) |
| Wisconsin Power and Light Company | Common stock, \$5 par value, 13,236,601 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation) |

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DEFINITIONS

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

| Abbreviation or Acronym | Definition |
|-------------------------|---|
| 2014 Form 10-K | Combined Annual Report on Form 10-K filed by Alliant Energy, IPL and WPL for the year ended Dec. 31, 2014 |
| AFUDC | Allowance for funds used during construction |
| Alliant Energy | Alliant Energy Corporation |
| AROs | Asset retirement obligations |
| ATC | American Transmission Company LLC |
| CAA | Clean Air Act |
| CCR | Coal Combustion Residuals |
| CDD | Cooling degree days |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| Columbia | Columbia Energy Center |
| Corporate Services | Alliant Energy Corporate Services, Inc. |
| CRANDIC | Cedar Rapids and Iowa City Railway Company |
| DAEC | Duane Arnold Energy Center |
| Dth | Dekatherm |
| Edgewater | Edgewater Generating Station |
| EGU | Electric generating unit |
| EPA | U.S. Environmental Protection Agency |
| EPS | Earnings per weighted average common share |
| FERC | Federal Energy Regulatory Commission |
| Financial Statements | Condensed Consolidated Financial Statements |
| FTR | Financial transmission right |
| Fuel-related | Electric production fuel and energy purchases |
| GAAP | U.S. generally accepted accounting principles |
| HDD | Heating degree days |
| IPL | Interstate Power and Light Company |
| ITC | ITC Midwest LLC |
| IUB | Iowa Utilities Board |
| Marshalltown | Marshalltown Generating Station |
| MDA | Management's Discussion and Analysis of Financial Condition and Results of Operations |
| MGP | Manufactured gas plant |
| MISO | Midcontinent Independent System Operator, Inc. |
| MPUC | Minnesota Public Utilities Commission |
| MW | Megawatt |
| MWh | Megawatt-hour |
| N/A | Not applicable |
| Nelson Dewey | Nelson Dewey Generating Station |
| Note(s) | Combined Notes to Condensed Consolidated Financial Statements |
| NOx | Nitrogen oxide |
| OPEB | Other postretirement benefits |
| PJM | PJM Interconnection, LLC |
| PPA | Purchased power agreement |
| PSCW | Public Service Commission of Wisconsin |

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

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FORWARD-LOOKING STATEMENTS

Statements contained in this report that are not of historical fact are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified as such because the statements include words such as “may,” “believe,” “expect,” “anticipate,” “plan,” “project,” “will,” “projections,” “estimate,” or other words of similar import. Similarly, 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, IPL and WPL that could materially affect actual results include:

- federal and state regulatory or governmental actions, including the impact of energy, tax, financial and health care legislation, and regulatory agency orders;
- IPL’s and WPL’s ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of fuel costs, operating costs, transmission costs, deferred expenditures, capital expenditures, and remaining costs related to EGUs that may be permanently closed, earning their authorized rates of return, and the payments to their parent of expected levels of dividends;
- the ability to continue cost controls and operational efficiencies;
- the impact of IPL’s retail electric base rate freeze in Iowa during 2015 and 2016;
- the impact of WPL’s retail electric and gas base rate freeze in Wisconsin during 2015 and 2016;
- weather effects on results of utility operations, including impacts of temperature changes in IPL’s and WPL’s service territories on customers’ demand for electricity and gas;
- the impact of the economy in IPL’s and WPL’s service territories and the resulting impacts on sales volumes, margins and the ability to collect unpaid bills;
- the impact of customer- and third party-owned generation, including alternative electric suppliers, in IPL’s and WPL’s service territories on system reliability, operating expenses and customers’ demand for electricity;
- the impact of energy efficiency, franchise retention, customer- and third party-owned generation and customer disconnects on sales volumes and margins;
- the impact that price changes may have on IPL’s and WPL’s customers’ demand for electric, gas and steam services and their ability to pay their bills;
- developments that adversely impact the ability to implement the strategic plan, including unanticipated issues with new emission controls equipment for various coal-fired EGUs of IPL and WPL, IPL’s construction of Marshalltown, WPL’s proposed Riverside expansion, various replacements and expansion of IPL’s and WPL’s natural gas distribution systems, Resources’ electricity output and selling price of such output from its Franklin County wind project, and the potential decommissioning of certain EGUs of IPL and WPL;
- issues related to the availability and operations of EGUs, including start-up risks, breakdown or failure of equipment, performance below expected or contracted levels of output or efficiency, operator error, transmission constraints, compliance with mandatory reliability standards and risks related to recovery of resulting incremental costs through rates;
- disruptions in the supply and delivery of coal, natural gas and purchased electricity;
- changes in the price of delivered coal, natural gas and purchased electricity due to shifts in supply and demand caused by market conditions and regulations, and the ability to recover and to retain the recovery of related changes in purchased power, fuel and fuel-related costs through rates in a timely manner;
- impacts on equity income from unconsolidated investments due to changes to ATC’s authorized return on equity;
- issues associated with environmental remediation and environmental compliance, including compliance with the Consent Decree between WPL, the EPA and the Sierra Club, the Consent Decree between IPL, the EPA, the Sierra Club, the State of Iowa and Linn County in Iowa, the CCR Rule, future changes in environmental laws and regulations, including the EPA’s regulations for carbon dioxide emissions reductions from new and existing

fossil-fueled EGUs, and litigation associated with environmental requirements;
the ability to defend against environmental claims brought by state and federal agencies, such as the EPA, state natural resources agencies or third parties, such as the Sierra Club, and the impact on operating expenses of defending and resolving such claims;
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;

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impacts that storms or natural disasters in IPL's and WPL's service territories may have on their operations and recovery of, and rate relief for, costs associated with restoration activities;

the direct or indirect effects resulting from terrorist incidents, including physical attacks and cyber attacks, or responses to such incidents;

the impact of penalties or third-party claims related to, or in connection with, a failure to maintain the security of personally identifiable information, including associated costs to notify affected persons and to mitigate their information security concerns;

the direct or indirect effects resulting from breakdown or failure of equipment in the operation of natural gas distribution systems, such as leaks, explosions and mechanical problems, and compliance with natural gas distribution safety regulations, such as those that may be issued by the Pipeline and Hazardous Materials Safety Administration;

risks associated with implementing a new customer billing and information system currently expected by the end of the first quarter of 2016;

impacts of IPL's future tax benefits from Iowa rate-making practices, including deductions for repairs expenditures and allocation of mixed service costs, and recoverability of the associated regulatory assets from customers, when the differences reverse in future periods;

any material post-closing adjustments related to any past asset divestitures, including the sales of IPL's Minnesota electric and natural gas distribution assets and RMT, which could result from, among other things, warranties, parental guarantees or litigation;

continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;

- inflation and interest rates;

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

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

current or future litigation, regulatory investigations, proceedings or inquiries, including the flood damage lawsuit pending against CRANDIC;

Alliant Energy's ability to sustain its dividend payout ratio goal;

employee workforce factors, including changes in key executives, collective bargaining agreements and negotiations, work stoppages or restructurings;

access to technological developments;

adverse developments in the food manufacturing industry, including animal flu and other illnesses;

changes in technology that alter the channels through which electric customers buy or utilize power;

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, including a new revenue recognition standard, which is currently expected to be adopted in 2018;

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 and changes in tax accounting methods, including changes required by new tangible property regulations with no material impact on earnings and cash flows; and

factors listed in MDA and Risk Factors in Item 1A in the 2014 Form 10-K.

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

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

ALLIANT ENERGY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | For the Three Months | | For the Six Months | |
|---|---|---------|--------------------|-----------|
| | Ended June 30, | | Ended June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| | (in millions, except per share amounts) | | | |
| Operating revenues: | | | | |
| Utility: | | | | |
| Electric | \$640.4 | \$643.9 | \$1,311.7 | \$1,319.7 |
| Gas | 51.7 | 76.9 | 250.1 | 317.6 |
| Other | 14.8 | 15.6 | 31.2 | 38.4 |
| Non-regulated | 10.3 | 13.9 | 21.6 | 27.4 |
| Total operating revenues | 717.2 | 750.3 | 1,614.6 | 1,703.1 |
| Operating expenses: | | | | |
| Utility: | | | | |
| Electric production fuel and purchased power | 185.2 | 214.1 | 401.1 | 452.8 |
| Electric transmission service | 116.9 | 105.5 | 240.1 | 219.6 |
| Cost of gas sold | 21.9 | 45.0 | 152.7 | 206.9 |
| Other operation and maintenance | 157.3 | 160.7 | 303.9 | 321.7 |
| Non-regulated operation and maintenance | — | 1.8 | 1.3 | 3.1 |
| Depreciation and amortization | 100.4 | 95.8 | 200.6 | 191.3 |
| Taxes other than income taxes | 26.5 | 24.1 | 53.0 | 50.2 |
| Total operating expenses | 608.2 | 647.0 | 1,352.7 | 1,445.6 |
| Operating income | 109.0 | 103.3 | 261.9 | 257.5 |
| Interest expense and other: | | | | |
| Interest expense | 46.5 | 45.1 | 93.1 | 90.3 |
| Equity income from unconsolidated investments, net | (11.3) | (11.3) | (17.8) | (22.7) |
| Allowance for funds used during construction | (8.6) | (8.4) | (15.4) | (17.5) |
| Interest income and other | (0.2) | 0.1 | (0.3) | (1.6) |
| Total interest expense and other | 26.4 | 25.5 | 59.6 | 48.5 |
| Income from continuing operations before income taxes | 82.6 | 77.8 | 202.3 | 209.0 |
| Income taxes | 11.2 | 13.2 | 31.7 | 33.8 |
| Income from continuing operations, net of tax | 71.4 | 64.6 | 170.6 | 175.2 |
| Loss from discontinued operations, net of tax | (1.3) | (0.3) | (1.3) | (0.3) |
| Net income | 70.1 | 64.3 | 169.3 | 174.9 |
| Preferred dividend requirements of IPL | 2.5 | 2.5 | 5.1 | 5.1 |
| Net income attributable to Alliant Energy common shareowners | \$67.6 | \$61.8 | \$164.2 | \$169.8 |
| Weighted average number of common shares outstanding (basic and diluted) | 113.1 | 110.8 | 112.1 | 110.8 |
| Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted): | | | | |
| Income from continuing operations, net of tax | \$0.61 | \$0.56 | \$1.47 | \$1.53 |
| Loss from discontinued operations, net of tax | (0.01) | — | (0.01) | — |
| Net income | \$0.60 | \$0.56 | \$1.46 | \$1.53 |
| Amounts attributable to Alliant Energy common shareowners: | | | | |
| Income from continuing operations, net of tax | \$68.9 | \$62.1 | \$165.5 | \$170.1 |

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| | | | | | |
|---|--------|--------|---------|---------|---|
| Loss from discontinued operations, net of tax | (1.3 |) (0.3 |) (1.3 |) (0.3 |) |
| Net income | \$67.6 | \$61.8 | \$164.2 | \$169.8 | |
| Dividends declared per common share | \$0.55 | \$0.51 | \$1.10 | \$1.02 | |

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

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CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| | June 30, 2015 | December 31, 2014 |
|---|--|----------------------|
| | (in millions, except per share and share amounts) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$54.8 | \$56.9 |
| Accounts receivable, less allowance for doubtful accounts | 297.3 | 427.3 |
| Production fuel, at weighted average cost | 78.8 | 83.8 |
| Materials and supplies, at weighted average cost | 82.3 | 72.9 |
| Gas stored underground, at weighted average cost | 24.1 | 67.1 |
| Regulatory assets | 71.1 | 68.1 |
| Other | 435.5 | 267.0 |
| Total current assets | 1,043.9 | 1,043.1 |
| Property, plant and equipment, net | 9,173.5 | 8,938.4 |
| Investments: | | |
| Investment in American Transmission Company LLC | 293.5 | 286.5 |
| Other | 56.4 | 58.4 |
| Total investments | 349.9 | 344.9 |
| Other assets: | | |
| Regulatory assets | 1,706.8 | 1,715.6 |
| Deferred charges and other | 38.2 | 43.9 |
| Total other assets | 1,745.0 | 1,759.5 |
| Total assets | \$12,312.3 | \$12,085.9 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Current maturities of long-term debt | \$33.5 | \$183.0 |
| Commercial paper | 120.9 | 141.3 |
| Accounts payable | 374.9 | 427.9 |
| Regulatory liabilities | 197.7 | 200.1 |
| Other | 264.5 | 262.4 |
| Total current liabilities | 991.5 | 1,214.7 |
| Long-term debt, net (excluding current portion) | 3,717.4 | 3,606.7 |
| Other liabilities: | | |
| Deferred income tax liabilities | 2,449.1 | 2,321.1 |
| Regulatory liabilities | 572.4 | 621.1 |
| Pension and other benefit obligations | 417.4 | 421.7 |
| Other | 342.8 | 260.1 |
| Total other liabilities | 3,781.7 | 3,624.0 |
| Commitments and contingencies (<u>Note 13</u>) | | |
| Equity: | | |
| Alliant Energy Corporation common equity: | | |
| Common stock - \$0.01 par value - 240,000,000 shares authorized; 113,263,624 and 110,935,680 shares outstanding | 1.1 | 1.1 |
| Additional paid-in capital | 1,649.0 | 1,509.1 |
| Retained earnings | 1,979.3 | 1,938.0 |

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| | | | |
|--|------------|------------|---|
| Accumulated other comprehensive loss | (0.6 |) (0.6 |) |
| Shares in deferred compensation trust - 206,419 and 238,935 shares at a weighted average cost of \$38.82 and \$37.45 per share | (8.0 |) (8.9 |) |
| Total Alliant Energy Corporation common equity | 3,620.8 | 3,438.7 | |
| Cumulative preferred stock of Interstate Power and Light Company | 200.0 | 200.0 | |
| Noncontrolling interest | 0.9 | 1.8 | |
| Total equity | 3,821.7 | 3,640.5 | |
| Total liabilities and equity | \$12,312.3 | \$12,085.9 | |

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

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

| | For the Six Months Ended June 30, | |
|--|--------------------------------------|-----------|
| | 2015 | 2014 |
| | (in millions) | |
| Cash flows from operating activities: | | |
| Net income | \$169.3 | \$174.9 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Depreciation and amortization | 200.6 | 191.3 |
| Deferred tax expense and investment tax credits | 43.0 | 37.3 |
| Other | 3.5 | 11.7 |
| Other changes in assets and liabilities: | | |
| Accounts receivable | 33.7 | 47.6 |
| Sales of accounts receivable | 78.0 | (19.0) |
| Regulatory assets | (22.7) | (71.6) |
| Derivative assets | 3.6 | (92.3) |
| Accounts payable | (25.3) | 35.8 |
| Regulatory liabilities | (40.0) | 45.2 |
| Deferred income taxes | 48.0 | 51.5 |
| Other | 25.6 | 35.8 |
| Net cash flows from operating activities | 517.3 | 448.2 |
| Cash flows used for investing activities: | | |
| Construction and acquisition expenditures: | | |
| Utility business | (436.2) | (332.6) |
| Alliant Energy Corporate Services, Inc. and non-regulated businesses | (32.2) | (31.9) |
| Other | (1.9) | (4.5) |
| Net cash flows used for investing activities | (470.3) | (369.0) |
| Cash flows used for financing activities: | | |
| Common stock dividends | (122.9) | (112.9) |
| Proceeds from issuance of common stock, net | 139.5 | — |
| Payments to retire long-term debt | (151.4) | (0.8) |
| Net change in commercial paper | 90.8 | 28.5 |
| Other | (5.1) | 12.4 |
| Net cash flows used for financing activities | (49.1) | (72.8) |
| Net increase (decrease) in cash and cash equivalents | (2.1) | 6.4 |
| Cash and cash equivalents at beginning of period | 56.9 | 9.8 |
| Cash and cash equivalents at end of period | \$54.8 | \$16.2 |
| Supplemental cash flows information: | | |
| Cash (paid) refunded during the period for: | | |
| Interest, net of capitalized interest | (\$93.5) | (\$90.5) |
| Income taxes, net | \$0.1 | \$3.8 |
| Significant non-cash investing and financing activities: | | |
| Accrued capital expenditures | \$162.1 | \$124.9 |

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

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INTERSTATE POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | For the Three Months | | For the Six Months | |
|--|----------------------|---------|--------------------|---------|
| | Ended June 30, | | Ended June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| | (in millions) | | | |
| Operating revenues: | | | | |
| Electric utility | \$339.4 | \$354.6 | \$702.0 | \$728.8 |
| Gas utility | 29.8 | 43.7 | 141.0 | 179.4 |
| Steam and other | 13.0 | 13.6 | 28.2 | 32.6 |
| Total operating revenues | 382.2 | 411.9 | 871.2 | 940.8 |
| Operating expenses: | | | | |
| Electric production fuel and purchased power | 90.5 | 122.9 | 200.6 | 262.9 |
| Electric transmission service | 77.9 | 75.4 | 161.8 | 159.0 |
| Cost of gas sold | 13.0 | 25.7 | 84.0 | 113.8 |
| Other operation and maintenance | 100.6 | 92.1 | 193.2 | 189.3 |
| Depreciation and amortization | 52.1 | 48.9 | 103.9 | 97.6 |
| Taxes other than income taxes | 14.3 | 12.9 | 28.4 | 26.7 |
| Total operating expenses | 348.4 | 377.9 | 771.9 | 849.3 |
| Operating income | 33.8 | 34.0 | 99.3 | 91.5 |
| Interest expense and other: | | | | |
| Interest expense | 23.9 | 22.6 | 48.0 | 45.1 |
| Allowance for funds used during construction | (6.7) | (6.0) | (12.0) | (12.0) |
| Interest income and other | — | (0.1) | (0.1) | (0.1) |
| Total interest expense and other | 17.2 | 16.5 | 35.9 | 33.0 |
| Income before income taxes | 16.6 | 17.5 | 63.4 | 58.5 |
| Income tax benefit | (2.6) | (3.4) | (6.2) | (8.4) |
| Net income | 19.2 | 20.9 | 69.6 | 66.9 |
| Preferred dividend requirements | 2.5 | 2.5 | 5.1 | 5.1 |
| Earnings available for common stock | \$16.7 | \$18.4 | \$64.5 | \$61.8 |

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

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

Table of ContentsINTERSTATE POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| | June 30, 2015 | December 31, 2014 |
|---|--|----------------------|
| | (in millions, except per share and share amounts) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$2.0 | \$5.3 |
| Accounts receivable, less allowance for doubtful accounts | 104.2 | 216.7 |
| Production fuel, at weighted average cost | 44.9 | 52.7 |
| Materials and supplies, at weighted average cost | 47.5 | 42.0 |
| Gas stored underground, at weighted average cost | 8.2 | 30.8 |
| Regulatory assets | 28.0 | 38.7 |
| Other | 308.1 | 169.9 |
| Total current assets | 542.9 | 556.1 |
| Property, plant and equipment, net | 4,687.8 | 4,554.7 |
| Investments | 19.5 | 19.1 |
| Other assets: | | |
| Regulatory assets | 1,322.7 | 1,319.2 |
| Deferred charges and other | 15.0 | 12.7 |
| Total other assets | 1,337.7 | 1,331.9 |
| Total assets | \$6,587.9 | \$6,461.8 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Current maturities of long-term debt | \$— | \$150.0 |
| Accounts payable | 222.1 | 259.6 |
| Accounts payable to associated companies | 43.6 | 31.3 |
| Regulatory liabilities | 129.5 | 129.7 |
| Other | 148.0 | 135.3 |
| Total current liabilities | 543.2 | 705.9 |
| Long-term debt, net (excluding current portion) | 1,730.2 | 1,618.7 |
| Other liabilities: | | |
| Deferred income tax liabilities | 1,418.8 | 1,341.4 |
| Regulatory liabilities | 402.5 | 453.8 |
| Pension and other benefit obligations | 141.5 | 142.4 |
| Other | 243.0 | 185.5 |
| Total other liabilities | 2,205.8 | 2,123.1 |
| Commitments and contingencies (Note 13) | | |
| Equity: | | |
| Interstate Power and Light Company common equity: | | |
| Common stock - \$2.50 par value - 24,000,000 shares authorized; 13,370,788 shares outstanding | 33.4 | 33.4 |
| Additional paid-in capital | 1,342.8 | 1,242.8 |
| Retained earnings | 532.5 | 537.9 |
| Total Interstate Power and Light Company common equity | 1,908.7 | 1,814.1 |
| Cumulative preferred stock | 200.0 | 200.0 |
| Total equity | 2,108.7 | 2,014.1 |

| | | |
|------------------------------|-----------|-----------|
| Total liabilities and equity | \$6,587.9 | \$6,461.8 |
|------------------------------|-----------|-----------|

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

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

| | For the Six Months Ended June 30, | |
|--|--------------------------------------|-----------|
| | 2015 | 2014 |
| | (in millions) | |
| Cash flows from operating activities: | | |
| Net income | \$69.6 | \$66.9 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Depreciation and amortization | 103.9 | 97.6 |
| Other | 24.9 | (4.0) |
| Other changes in assets and liabilities: | | |
| Accounts receivable | 16.9 | 48.3 |
| Sales of accounts receivable | 78.0 | (19.0) |
| Gas stored underground | 23.6 | 7.5 |
| Regulatory assets | (20.0) | (48.5) |
| Derivative assets | (2.7) | (51.9) |
| Accounts payable | (22.0) | 23.4 |
| Regulatory liabilities | (38.9) | (2.7) |
| Deferred income taxes | 44.7 | 54.7 |
| Other | 16.5 | 33.8 |
| Net cash flows from operating activities | 294.5 | 206.1 |
| Cash flows used for investing activities: | | |
| Utility construction and acquisition expenditures | (281.3) | (184.9) |
| Other | (3.9) | (11.5) |
| Net cash flows used for investing activities | (285.2) | (196.4) |
| Cash flows used for financing activities: | | |
| Common stock dividends | (69.9) | (70.0) |
| Capital contributions from parent | 100.0 | 60.0 |
| Payments to retire long-term debt | (150.0) | — |
| Net change in commercial paper | 111.2 | — |
| Other | (3.9) | 1.3 |
| Net cash flows used for financing activities | (12.6) | (8.7) |
| Net increase (decrease) in cash and cash equivalents | (3.3) | 1.0 |
| Cash and cash equivalents at beginning of period | 5.3 | 4.4 |
| Cash and cash equivalents at end of period | \$2.0 | \$5.4 |
| Supplemental cash flows information: | | |
| Cash (paid) refunded during the period for: | | |
| Interest | (\$48.3) | (\$45.2) |
| Income taxes, net | \$18.6 | \$9.0 |
| Significant non-cash investing and financing activities: | | |
| Accrued capital expenditures | \$118.8 | \$76.1 |

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

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WISCONSIN POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| | For the Three Months | | For the Six Months | |
|--|----------------------|---------|--------------------|---------|
| | Ended June 30, | | Ended June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| | (in millions) | | | |
| Operating revenues: | | | | |
| Electric utility | \$301.0 | \$289.3 | \$609.7 | \$590.9 |
| Gas utility | 21.9 | 33.2 | 109.1 | 138.2 |
| Other | 1.8 | 2.0 | 3.0 | 5.8 |
| Total operating revenues | 324.7 | 324.5 | 721.8 | 734.9 |
| Operating expenses: | | | | |
| Electric production fuel and purchased power | 94.7 | 91.2 | 200.5 | 189.9 |
| Electric transmission service | 39.0 | 30.1 | 78.3 | 60.6 |
| Cost of gas sold | 8.9 | 19.3 | 68.7 | 93.1 |
| Other operation and maintenance | 56.7 | 68.6 | 110.7 | 132.4 |
| Depreciation and amortization | 45.8 | 44.7 | 91.8 | 89.4 |
| Taxes other than income taxes | 11.3 | 10.6 | 22.7 | 21.8 |
| Total operating expenses | 256.4 | 264.5 | 572.7 | 587.2 |
| Operating income | 68.3 | 60.0 | 149.1 | 147.7 |
| Interest expense and other: | | | | |
| Interest expense | 23.3 | 21.1 | 46.4 | 42.2 |
| Equity income from unconsolidated investments | (11.3) | (11.4) | (19.1) | (22.8) |
| Allowance for funds used during construction | (1.9) | (2.4) | (3.4) | (5.5) |
| Interest income and other | (0.1) | 0.3 | — | 0.3 |
| Total interest expense and other | 10.0 | 7.6 | 23.9 | 14.2 |
| Income before income taxes | 58.3 | 52.4 | 125.2 | 133.5 |
| Income taxes | 18.8 | 17.8 | 40.9 | 44.1 |
| Net income | 39.5 | 34.6 | 84.3 | 89.4 |
| Net income attributable to noncontrolling interest | 0.5 | — | 0.7 | — |
| Earnings available for common stock | \$39.0 | \$34.6 | \$83.6 | \$89.4 |

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

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

Table of ContentsWISCONSIN POWER AND LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| | June 30, 2015 | December 31, 2014 |
|--|--|----------------------|
| | (in millions, except per share and share amounts) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$48.8 | \$46.7 |
| Accounts receivable, less allowance for doubtful accounts | 166.6 | 185.8 |
| Production fuel, at weighted average cost | 33.9 | 31.1 |
| Materials and supplies, at weighted average cost | 32.8 | 29.2 |
| Gas stored underground, at weighted average cost | 15.9 | 36.3 |
| Regulatory assets | 43.1 | 29.4 |
| Deferred income tax assets | 61.0 | 37.5 |
| Other | 51.9 | 61.2 |
| Total current assets | 454.0 | 457.2 |
| Property, plant and equipment, net | 4,028.4 | 3,938.9 |
| Investments: | | |
| Investment in American Transmission Company LLC | 293.5 | 286.5 |
| Other | 19.0 | 19.5 |
| Total investments | 312.5 | 306.0 |
| Other assets: | | |
| Regulatory assets | 384.1 | 396.4 |
| Deferred charges and other | 23.8 | 29.7 |
| Total other assets | 407.9 | 426.1 |
| Total assets | \$5,202.8 | \$5,128.2 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Current maturities of long-term debt | \$30.6 | \$30.6 |
| Accounts payable | 98.0 | 112.9 |
| Accounts payable to associated companies | 18.0 | 25.5 |
| Regulatory liabilities | 68.2 | 70.4 |
| Other | 82.4 | 70.9 |
| Total current liabilities | 297.2 | 310.3 |
| Long-term debt, net (excluding current portion) | 1,543.5 | 1,543.3 |
| Other liabilities: | | |
| Deferred income tax liabilities | 1,014.9 | 970.0 |
| Regulatory liabilities | 169.9 | 167.3 |
| Capital lease obligations - Sheboygan Falls Energy Facility | 86.6 | 89.4 |
| Pension and other benefit obligations | 179.0 | 180.4 |
| Other | 177.9 | 155.2 |
| Total other liabilities | 1,628.3 | 1,562.3 |
| Commitments and contingencies (Note 13) | | |
| Equity: | | |
| Wisconsin Power and Light Company common equity: | | |
| Common stock - \$5 par value - 18,000,000 shares authorized; 13,236,601 shares outstanding | 66.2 | 66.2 |

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| | | |
|---|-----------|-----------|
| Additional paid-in capital | 959.0 | 959.0 |
| Retained earnings | 698.7 | 678.6 |
| Total Wisconsin Power and Light Company common equity | 1,723.9 | 1,703.8 |
| Noncontrolling interest | 9.9 | 8.5 |
| Total equity | 1,733.8 | 1,712.3 |
| Total liabilities and equity | \$5,202.8 | \$5,128.2 |

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

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

| | For the Six Months Ended June 30, | |
|--|--------------------------------------|----------|
| | 2015 | 2014 |
| | (in millions) | |
| Cash flows from operating activities: | | |
| Net income | \$84.3 | \$89.4 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Depreciation and amortization | 91.8 | 89.4 |
| Other amortizations | 2.7 | 24.9 |
| Deferred tax expense and investment tax credits | 20.4 | 37.1 |
| Other | (8.1) | (8.1) |
| Other changes in assets and liabilities: | | |
| Regulatory assets | (2.7) | (23.1) |
| Derivative assets | 6.3 | (40.4) |
| Regulatory liabilities | (1.1) | 47.9 |
| Other | 36.6 | 18.4 |
| Net cash flows from operating activities | 230.2 | 235.5 |
| Cash flows used for investing activities: | | |
| Utility construction and acquisition expenditures | (154.9) | (147.7) |
| Other | (7.1) | (3.4) |
| Net cash flows used for investing activities | (162.0) | (151.1) |
| Cash flows used for financing activities: | | |
| Common stock dividends | (63.5) | (59.4) |
| Net change in commercial paper | — | (25.7) |
| Other | (2.6) | 6.6 |
| Net cash flows used for financing activities | (66.1) | (78.5) |
| Net increase in cash and cash equivalents | 2.1 | 5.9 |
| Cash and cash equivalents at beginning of period | 46.7 | 0.5 |
| Cash and cash equivalents at end of period | \$48.8 | \$6.4 |
| Supplemental cash flows information: | | |
| Cash paid during the period for: | | |
| Interest | (\$46.5) | (\$42.2) |
| Income taxes, net | (\$3.7) | (\$9.4) |
| Significant non-cash investing and financing activities: | | |
| Accrued capital expenditures | \$39.5 | \$46.7 |

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

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

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In the opinion of management, all adjustments, which unless otherwise noted are normal and recurring in nature, necessary for a fair presentation of the results of operations, financial position and cash flows have been made. Results for the six months ended June 30, 2015 are not necessarily indicative of results that may be expected for the year ending December 31, 2015. A change in management's estimates or assumptions could have a material impact on financial condition and results of operations during the period in which such change occurred. Certain prior period amounts in the Financial Statements and Notes have been reclassified to conform to the current period presentation for comparative purposes. Unless otherwise noted, the Notes herein exclude discontinued operations for all periods presented. In addition, the Notes herein exclude assets and liabilities held for sale. As discussed in Note 16, IPL's Minnesota electric distribution assets qualified as held for sale as of June 30, 2015.

(b) New Accounting Pronouncements -

Revenue Recognition - In May 2014, the Financial Accounting Standards Board issued an accounting standard providing principles for recognizing revenue for the transfer of promised goods or services to customers with the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also requires disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the Financial Accounting Standards Board deferred the effective date of this standard. As a result, Alliant Energy, IPL and WPL are now required to adopt this standard on January 1, 2018. Early adoption on January 1, 2017 is permitted. Alliant Energy, IPL and WPL are currently evaluating the impact of this standard on their financial condition and results of operations.

Presentation of Debt Issuance Costs - In April 2015, the Financial Accounting Standards Board issued an accounting standard to simplify the presentation of debt issuance costs on the balance sheet. Under the new standard, debt issuance costs related to a recognized debt liability will be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Alliant Energy, IPL and WPL are required to adopt this standard by January 1, 2016. Debt issuance costs represent less than 1% of total long-term debt.

(2) REGULATORY MATTERS

Regulatory Assets and Regulatory Liabilities -

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

| | Alliant Energy | | IPL | | WPL | |
|------------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Tax-related | \$961.1 | \$955.3 | \$932.8 | \$928.0 | \$28.3 | \$27.3 |
| Pension and OPEB costs | 555.7 | 570.2 | 281.8 | 287.9 | 273.9 | 282.3 |

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| | | | | | | |
|-------------------------|-----------|-----------|-----------|-----------|---------|---------|
| AROs | 77.9 | 73.7 | 44.1 | 41.4 | 33.8 | 32.3 |
| Derivatives | 54.1 | 46.9 | 26.1 | 28.0 | 28.0 | 18.9 |
| Commodity cost recovery | 32.3 | 31.1 | 0.5 | 0.4 | 31.8 | 30.7 |
| Emission allowances | 26.7 | 27.4 | 26.7 | 27.4 | — | — |
| Other | 70.1 | 79.1 | 38.7 | 44.8 | 31.4 | 34.3 |
| | \$1,777.9 | \$1,783.7 | \$1,350.7 | \$1,357.9 | \$427.2 | \$425.8 |

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

| | Alliant Energy | | IPL | | WPL | |
|---|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Cost of removal obligations | \$410.6 | \$421.7 | \$266.6 | \$279.1 | \$144.0 | \$142.6 |
| IPL's tax benefit riders | 201.9 | 243.0 | 201.9 | 243.0 | — | — |
| Energy efficiency cost recovery | 58.5 | 64.3 | 1.7 | — | 56.8 | 64.3 |
| IPL's electric transmission cost recovery | 24.3 | 19.4 | 24.3 | 19.4 | — | — |
| Commodity cost recovery | 16.6 | 15.4 | 11.6 | 15.1 | 5.0 | 0.3 |
| Other | 58.2 | 57.4 | 25.9 | 26.9 | 32.3 | 30.5 |
| | \$770.1 | \$821.2 | \$532.0 | \$583.5 | \$238.1 | \$237.7 |

Tax-related - Alliant Energy's and IPL's tax-related regulatory assets are generally impacted by certain property-related differences at IPL for which deferred tax is not recorded in the income statement pursuant to Iowa rate-making principles. Deferred tax amounts for such property-related differences at IPL are recorded to regulatory assets, along with the necessary revenue requirement tax gross-ups. During the six months ended June 30, 2015, Alliant Energy's and IPL's tax-related regulatory assets increased primarily due to property-related differences for qualifying repair expenditures.

Certain tax-related regulatory assets associated with IPL's Minnesota electric distribution assets were classified as held for sale as of June 30, 2015 on Alliant Energy's and IPL's balance sheets.

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

IPL's tax benefit riders - IPL's tax benefit riders utilize regulatory liabilities to credit bills of IPL's Iowa retail electric and gas customers to help offset the impact of rate increases on such customers. These regulatory liabilities are related to tax benefits from tax accounting method changes for repairs expenditures, allocation of mixed service costs, allocation of insurance proceeds from floods in 2008, and cost of removal expenditures. For the six months ended June 30, 2015, Alliant Energy's and IPL's "IPL's tax benefit riders" regulatory liabilities decreased by \$41 million as follows (in millions):

| | |
|------------------------------------|------|
| Electric tax benefit rider credits | \$35 |
| Gas tax benefit rider credits | 6 |
| | \$41 |

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

Utility Rate Cases -

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

| | Three Months | | Six Months | |
|--|--------------|------|------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| Billing credits to reduce retail electric customers' bills | \$6 | \$20 | \$12 | \$20 |

WPL's Retail Fuel-related Rate Filing (2016 Test Year) - In July 2015, WPL filed a request with the PSCW to increase annual rates for WPL's retail electric customers by \$15 million, or approximately 1%, in 2016. The increase reflects anticipated increases in retail electric fuel-related costs in 2016. Any rate changes granted from this request are expected to be effective on January 1, 2016. WPL currently expects a decision from the PSCW regarding this rate filing by the end of 2015.

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WPL's Retail Fuel-related Rate Filing (2014 Test Year) - Pursuant to a 2013 PSCW order, WPL's 2014 fuel-related costs were subject to deferral since they were outside an annual bandwidth of plus or minus 2% of the approved annual forecasted fuel-related costs. Retail fuel-related costs incurred by WPL through December 31, 2014 were higher than fuel-related costs used to determine rates for such period resulting in an under-collection of fuel-related costs for 2014 of \$33 million (including \$28 million outside the approved range for 2014). The \$28 million of deferred fuel-related costs is included in "Commodity cost recovery" in Alliant Energy's and WPL's regulatory assets table above. In July 2015, WPL received an order from the PSCW authorizing an annual retail electric rate increase of \$28 million, or approximately 3%, effective January 1, 2016 to recover the 2014 Test Year deferred fuel-related costs.

(3) PROPERTY, PLANT AND EQUIPMENT

Utility -

Emission Controls Project -

WPL's Edgewater Unit 5 - WPL is currently constructing a scrubber and baghouse at Edgewater Unit 5 to reduce SO₂ and mercury emissions at the EGU. Construction began in 2014 and is expected to be completed in 2016. As of June 30, 2015, Alliant Energy and WPL recorded capitalized expenditures for construction work in progress of \$132 million and AFUDC of \$5 million for the scrubber and baghouse in "Property, plant and equipment, net" on their balance sheets.

Natural Gas-Fired Generation Project -

IPL's Marshalltown Generating Station - IPL is currently constructing Marshalltown, an approximate 650 MW natural gas-fired combined-cycle EGU. Construction began in 2014 and is expected to be completed in 2017. As of June 30, 2015, Alliant Energy and IPL recorded capitalized expenditures for construction work in progress of \$343 million and AFUDC of \$12 million for Marshalltown in "Property, plant and equipment, net" on their balance sheets.

Sales of IPL's Minnesota Electric and Natural Gas Distribution Assets - In April 2015, IPL completed the sale of its Minnesota natural gas distribution assets and received proceeds of \$11 million and a promissory note of \$2 million. In July 2015, IPL completed the sale of its Minnesota electric distribution assets and received proceeds of \$127 million, which were used to reduce cash proceeds received from IPL's sales of accounts receivable program. Final proceeds are subject to post-closing adjustments based on the value of the net assets as of the closing date and are expected to be approximately \$130 million. The premium received over the book value of the property, plant and equipment sold was more than offset by tax-related regulatory assets associated with the distribution assets. As a result, Alliant Energy and IPL recorded pre-tax charges of \$9 million and \$3 million for the Minnesota electric and natural gas distribution asset transactions, respectively, in "Utility - Other operation and maintenance" in their income statements for the three and six months ended June 30, 2015. Refer to Note 16 for details of the Minnesota electric distribution assets, which qualified as held for sale as of June 30, 2015.

In July 2015, FERC approved the wholesale power supply agreement between IPL and Southern Minnesota Energy Cooperative, which became effective upon the sale of IPL's Minnesota electric distribution assets.

Non-regulated and Other -

Corporate Services and Other - Corporate Services is implementing a new customer billing and information system for IPL and WPL, which is currently expected to be placed in service by the end of the first quarter of 2016. As of June 30, 2015, Alliant Energy recorded capitalized expenditures of \$79 million and capitalized interest of \$2 million for the system in "Property, plant and equipment, net" on its balance sheet.

(4) RECEIVABLES

(a) Sales of Accounts Receivable - IPL maintains a Receivables Agreement whereby it may sell its Iowa customer accounts receivables, unbilled revenues and certain other accounts receivables to a third party through wholly-owned

and consolidated special purpose entities. The transfers of receivables meet the criteria for sale accounting established by the transfer of financial assets accounting rules. As of June 30, 2015, IPL sold \$177.8 million of receivables to the third party, received \$100.0 million in cash proceeds and recorded deferred proceeds of \$73.4 million.

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

| | Three Months | | Six Months | |
|---|--------------|--------|------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| Maximum outstanding aggregate cash proceeds (based on daily outstanding balances) | \$125.0 | \$75.0 | \$125.0 | \$75.0 |
| Average outstanding aggregate cash proceeds (based on daily outstanding balances) | 77.3 | 34.2 | 72.7 | 30.9 |

For the three and six months ended June 30, 2015 and 2014, IPL's costs incurred related to the sales of accounts receivable program were not material.

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

| | June 30, 2015 | December 31, 2014 |
|---------------------------------------|---------------|-------------------|
| Customer accounts receivable | \$100.4 | \$134.8 |
| Unbilled utility revenues | 77.2 | 69.7 |
| Other receivables | 0.2 | 0.1 |
| Receivables sold to third party | 177.8 | 204.6 |
| Less: cash proceeds (a) | 100.0 | 22.0 |
| Deferred proceeds | 77.8 | 182.6 |
| Less: allowance for doubtful accounts | 4.4 | 5.4 |
| Fair value of deferred proceeds | \$73.4 | \$177.2 |
| Outstanding receivables past due | \$14.0 | \$19.9 |

(a) Changes in cash proceeds are presented in "Sales of accounts receivable" in operating activities in Alliant Energy's and IPL's cash flows statements.

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

| | Three Months | | Six Months | |
|---------------------------------------|--------------|---------|------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| Collections reinvested in receivables | \$417.1 | \$475.8 | \$923.0 | \$1,017.2 |
| Credit losses, net of recoveries | 2.5 | 3.9 | 3.5 | 6.4 |

(b) Whiting Petroleum Tax Sharing Agreement - Prior to an initial public offering 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 certain 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 initial public offering. 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 paid Resources the final payment of \$26 million in March 2014, which represented the present value of certain future tax benefits expected to be realized by Whiting Petroleum through future tax deductions. The \$26 million received by Alliant Energy is presented in operating activities in its cash flows statement for the six months ended June 30, 2014.

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(5) INVESTMENTS

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

| | Alliant Energy | | | | WPL | | | |
|-------|----------------|-----------|------------|-----------|--------------|-----------|------------|-----------|
| | Three Months | | Six Months | | Three Months | | Six Months | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| ATC | (\$10.9) | (\$11.1) | (\$18.7) | (\$22.3) | (\$10.9) | (\$11.1) | (\$18.7) | (\$22.3) |
| Other | (0.4) | (0.2) | 0.9 | (0.4) | (0.4) | (0.3) | (0.4) | (0.5) |
| | (\$11.3) | (\$11.3) | (\$17.8) | (\$22.7) | (\$11.3) | (\$11.4) | (\$19.1) | (\$22.8) |

(6) COMMON EQUITY

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

| | |
|--|-------------|
| Shares outstanding, January 1, 2015 | 110,935,680 |
| At-the-market offering program | 2,186,617 |
| Shareowner Direct Plan | 107,412 |
| Equity-based compensation plans (<u>Note 9(b)</u>) | 56,378 |
| Other | (22,463) |
| Shares outstanding, June 30, 2015 | 113,263,624 |

At-the-Market Offering Program - In March 2015, Alliant Energy filed a prospectus supplement under which it may sell up to \$150 million of its common stock through an at-the-market offering program. As of June 30, 2015, Alliant Energy issued 2,186,617 shares of common stock through this program and received cash proceeds of \$133 million, net of \$2 million in fees and commissions. The proceeds from the issuances of common stock were used for general corporate purposes. Alliant Energy currently has no plans to issue any additional common stock through the at-the-market offering program.

Dividend Restrictions - As of June 30, 2015, IPL's amount of retained earnings that were free of dividend restrictions was \$533 million. As of June 30, 2015, WPL's amount of retained earnings that were free of dividend restrictions was \$64 million for the remainder of 2015.

Restricted Net Assets of Subsidiaries - As of June 30, 2015, the amount of net assets of IPL and WPL that were not available to be transferred to their parent company, Alliant Energy, in the form of loans, advances or cash dividends without the consent of IPL's and WPL's regulatory authorities was \$1.4 billion and \$1.7 billion, respectively.

Capital Transactions with Subsidiaries - For the six months ended June 30, 2015, IPL received capital contributions of \$100.0 million from its parent company. For the six months ended June 30, 2015, IPL and WPL each paid common stock dividends of \$69.9 million and \$63.5 million, respectively, to its parent company.

Comprehensive Income - For the three and six months ended June 30, 2015 and 2014, Alliant Energy had no other comprehensive income; therefore, its comprehensive income was equal to its net income and its comprehensive income attributable to Alliant Energy common shareowners was equal to its net income attributable to Alliant Energy common shareowners for such periods. For the three and six months ended June 30, 2015 and 2014, IPL and WPL had no other comprehensive income; therefore, their comprehensive income was equal to their net income and their comprehensive income available for common stock was equal to their earnings available for common stock for such periods.

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(7) DEBT

(a) Short-term Debt - Information regarding commercial paper classified as short-term debt and back-stopped by the credit facilities was as follows (dollars in millions):

| June 30, 2015 | Alliant Energy (Consolidated) | | Parent Company | | IPL | WPL | | |
|---|----------------------------------|---------|-------------------|--------|---------|------|---------|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | |
| Commercial paper: | | | | | | | | |
| Amount outstanding | \$120.9 | | \$120.9 | | \$— | | \$— | |
| Weighted average remaining maturity | 6 days | | 6 days | | N/A | | N/A | |
| Weighted average interest rates | 0.4% | | 0.4% | | N/A | | N/A | |
| Available credit facility capacity (a) | \$767.9 | | \$179.1 | | \$188.8 | | \$400.0 | |
| Three Months Ended June 30 | | | | | | | | |
| Maximum amount outstanding (based on daily outstanding balances) | \$152.6 | \$311.6 | \$9.7 | \$6.0 | \$— | | \$168.4 | |
| Average amount outstanding (based on daily outstanding balances) | \$93.2 | \$262.7 | \$0.1 | \$0.1 | \$— | | \$141.8 | |
| Weighted average interest rates | 0.5 | % 0.2 | % 0.5 | % 0.2 | % N/A | | 0.1 | % |
| Six Months Ended June 30 | | | | | | | | |
| Maximum amount outstanding (based on daily outstanding balances) | \$152.6 | \$316.2 | \$9.7 | \$10.0 | \$— | | \$204.7 | |
| Average amount outstanding (based on daily outstanding balances) | \$110.5 | \$269.1 | \$0.1 | \$0.2 | \$— | | \$157.3 | |
| Weighted average interest rates | 0.4 | % 0.2 | % 0.5 | % 0.2 | % N/A | | 0.1 | % |

(a) Alliant Energy's and IPL's available credit facility capacities reflect outstanding commercial paper classified as both short- and long-term debt at June 30, 2015. Refer to Note 7(b) for further discussion of \$111.2 million of commercial paper outstanding at June 30, 2015 classified as long-term debt on Alliant Energy's and IPL's balance sheets.

(b) Long-term Debt - In June 2015, IPL retired its \$150.0 million, 3.3% senior debentures. As of June 30, 2015, \$111.2 million of commercial paper was recorded in "Long-term debt, net" on Alliant Energy's and IPL's balance sheets due to the existence of long-term credit facilities that back-stop this commercial paper balance, along with Alliant Energy's and IPL's intent and ability to refinance these balances on a long-term basis. As of June 30, 2015, this commercial paper balance had a weighted average remaining maturity of 6 days and a 0.5% interest rate.

(8) INCOME TAXES

Income Tax Rates - The provision for income taxes for earnings from continuing operations is based on an estimated annual effective income tax rate that excludes the impact of significant unusual or infrequently occurring items, discontinued operations or extraordinary items. The overall income tax rates shown in the following table were computed by dividing income tax expense (benefit) by income from continuing operations before income taxes.

| Three Months Ended June 30 | Alliant Energy | | IPL | | WPL | |
|---|----------------|---------|------------|----------|--------|--------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Statutory federal income tax rate | 35.0 | % 35.0 | % 35.0 | % 35.0 | % 35.0 | % 35.0 |
| IPL's tax benefit riders | (10.6) | (11.9) | (25.3) | (36.6) | — | — |
| Effect of rate-making on property-related differences | (8.4) | (4.8) | (22.3) | (14.4) | (0.7) | (0.2) |
| Production tax credits | (6.5) | (6.1) | (7.2) | (8.0) | (6.7) | (5.8) |
| Other items, net | 4.1 | 4.8 | 4.1 | 4.6 | 4.6 | 5.0 |
| Overall income tax rate | 13.6 | % 17.0 | % (15.7 %) | (19.4 %) | 32.2 | % 34.0 |

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| Six Months Ended June 30 | Alliant Energy | | IPL | | WPL | |
|---|----------------|---------|---------|----------|--------|--------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Statutory federal income tax rate | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % |
| IPL's tax benefit riders | (10.2) | (11.9) | (25.2) | (32.8) | — | — |
| Effect of rate-making on property-related differences | (7.0) | (5.1) | (16.6) | (13.0) | (0.6) | (0.7) |
| Production tax credits | (6.4) | (6.5) | (7.2) | (8.2) | (6.4) | (6.2) |
| Other items, net | 4.3 | 4.7 | 4.2 | 4.6 | 4.7 | 4.9 |
| Overall income tax rate | 15.7 % | 16.2 % | (9.8 %) | (14.4 %) | 32.7 % | 33.0 % |

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

Effect of rate-making on property-related differences - Alliant Energy's and IPL's effective income tax rates are impacted by the effect of rate-making principles on certain property-related differences for which deferred tax is not recognized in the income statement, substantially all of which relates to IPL. The increased benefits from property-related differences recognized during the three and six months ended June 30, 2015 were primarily due to additional repairs deductions.

Deferred Tax Assets and Liabilities - For the six months ended June 30, 2015, Alliant Energy's, IPL's and WPL's non-current deferred tax liabilities increased \$128.0 million, \$77.4 million and \$44.9 million, respectively. These increases in non-current deferred tax liabilities were primarily due to utilization of federal net operating loss carryforwards, and property-related differences recorded during the six months ended June 30, 2015, including an increase in qualifying repairs expenditures.

Carryforwards - At June 30, 2015, tax carryforwards and associated deferred tax assets and expiration dates were estimated as follows (dollars in millions):

| Alliant Energy | Tax Carryforwards | Deferred Tax Assets | Earliest Expiration Date |
|------------------------------|-------------------|---------------------|--------------------------|
| Federal net operating losses | \$845 | \$290 | 2029 |
| State net operating losses | 860 | 44 | 2018 |
| Federal tax credits | 222 | 218 | 2022 |
| | | \$552 | |
| IPL | Tax Carryforwards | Deferred Tax Assets | Earliest Expiration Date |
| Federal net operating losses | \$396 | \$136 | 2029 |
| State net operating losses | 265 | 14 | 2018 |
| Federal tax credits | 77 | 75 | 2022 |
| | | \$225 | |
| WPL | Tax Carryforwards | Deferred Tax Assets | Earliest Expiration Date |
| Federal net operating losses | \$342 | \$117 | 2029 |
| State net operating losses | 170 | 8 | 2018 |
| Federal tax credits | 86 | 85 | 2022 |
| | | \$210 | |

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(9) BENEFIT PLANS

(a) Pension and Other Postretirement Benefits Plans -

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

| | Defined Benefit Pension Plans | | | | OPEB Plans | | | |
|---|-------------------------------|---------|------------|---------|--------------|----------|------------|----------|
| | Three Months | | Six Months | | Three Months | | Six Months | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Alliant Energy | | | | | | | | |
| Service cost | \$3.9 | \$3.3 | \$7.9 | \$6.6 | \$1.4 | \$1.3 | \$2.8 | \$2.6 |
| Interest cost | 13.4 | 13.5 | 26.8 | 27.0 | 2.3 | 2.3 | 4.5 | 4.7 |
| Expected return on plan assets | (18.8) | (18.8) | (37.5) | (37.5) | (2.1) | (2.0) | (4.2) | (4.1) |
| Amortization of prior service credit | — | — | (0.1) | — | (2.8) | (2.9) | (5.6) | (5.9) |
| Amortization of actuarial loss | 8.9 | 5.0 | 17.7 | 9.8 | 1.2 | 0.6 | 2.4 | 1.2 |
| Additional benefit costs | 0.1 | — | 0.3 | — | — | — | — | — |
| | \$7.5 | \$3.0 | \$15.1 | \$5.9 | \$— | (\$0.7) | (\$0.1) | (\$1.5) |
| | | | | | | | | |
| IPL | Defined Benefit Pension Plans | | | | OPEB Plans | | | |
| | Three Months | | Six Months | | Three Months | | Six Months | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Service cost | \$2.2 | \$1.8 | \$4.4 | \$3.6 | \$0.6 | \$0.6 | \$1.2 | \$1.2 |
| Interest cost | 6.3 | 6.3 | 12.5 | 12.6 | 1.0 | 1.0 | 1.9 | 2.0 |
| Expected return on plan assets | (9.0) | (8.9) | (17.9) | (17.9) | (1.4) | (1.4) | (2.8) | (2.9) |
| Amortization of prior service credit | (0.1) | — | (0.1) | — | (1.6) | (1.5) | (3.1) | (3.1) |
| Amortization of actuarial loss | 3.9 | 2.0 | 7.7 | 4.0 | 0.5 | 0.2 | 1.1 | 0.5 |
| | \$3.3 | \$1.2 | \$6.6 | \$2.3 | (\$0.9) | (\$1.1) | (\$1.7) | (\$2.3) |
| | | | | | | | | |
| WPL | Defined Benefit Pension Plans | | | | OPEB Plans | | | |
| | Three Months | | Six Months | | Three Months | | Six Months | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Service cost | \$1.5 | \$1.2 | \$2.9 | \$2.4 | \$0.5 | \$0.5 | \$1.1 | \$1.0 |
| Interest cost | 5.7 | 5.6 | 11.3 | 11.3 | 0.9 | 0.9 | 1.8 | 1.9 |
| Expected return on plan assets | (8.1) | (8.1) | (16.2) | (16.2) | (0.4) | (0.3) | (0.8) | (0.6) |
| Amortization of prior service cost (credit) | — | 0.1 | 0.1 | 0.2 | (0.8) | (0.9) | (1.7) | (1.9) |
| Amortization of actuarial loss | 4.2 | 2.3 | 8.4 | 4.6 | 0.5 | 0.3 | 1.1 | 0.6 |
| Additional benefit costs | 0.1 | — | 0.3 | — | — | — | — | — |
| | \$3.4 | \$1.1 | \$6.8 | \$2.3 | \$0.7 | \$0.5 | \$1.5 | \$1.0 |

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401(k) Savings Plans - A significant number of employees participate in defined contribution retirement plans (401(k) savings plans). For the three and six months ended June 30, costs related to the 401(k) savings plans, which are partially based on the participants' contributions, were as follows (in millions):

| | Alliant Energy | | | | IPL (a) | | | | WPL (a) | | | |
|--------------|----------------|-------|------------|--------|--------------|-------|------------|-------|--------------|-------|------------|-------|
| | Three Months | | Six Months | | Three Months | | Six Months | | Three Months | | Six Months | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| 401(k) costs | \$5.6 | \$6.1 | \$12.3 | \$12.0 | \$2.9 | \$2.6 | \$6.3 | \$5.7 | \$2.6 | \$3.3 | \$5.5 | \$5.9 |

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

(b) Equity-based Compensation Plans - A summary of compensation expense (including amounts allocated to IPL and WPL) and the related income tax benefits recognized for share-based compensation awards for the three and six months ended June 30 was as follows (in millions):

| | Alliant Energy | | | | IPL | | | | WPL | | | |
|----------------------|----------------|-------|------------|-------|--------------|-------|------------|-------|--------------|-------|------------|-------|
| | Three Months | | Six Months | | Three Months | | Six Months | | Three Months | | Six Months | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Compensation expense | \$2.3 | \$3.1 | \$5.5 | \$6.2 | \$1.2 | \$1.7 | \$2.9 | \$3.4 | \$1.0 | \$1.3 | \$2.4 | \$2.6 |
| Income tax benefits | 0.9 | 1.2 | 2.2 | 2.5 | 0.5 | 0.7 | 1.2 | 1.4 | 0.4 | 0.5 | 1.0 | 1.0 |

As of June 30, 2015, total unrecognized compensation cost related to share-based compensation awards was \$9.6 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 income statements.

Performance Shares and Units -

Performance Shares - A summary of the performance shares activity was as follows:

| | 2015 (a) | 2014 (a) |
|-----------------------------|----------|----------|
| Nonvested shares, January 1 | 144,424 | 139,940 |
| Granted | 45,403 | 51,221 |
| Vested | (45,612) | (45,235) |
| Forfeited | — | (1,502) |
| Nonvested shares, June 30 | 144,215 | 144,424 |

(a) Share amounts represent the target number of performance shares.

During the six months ended June 30, certain performance shares vested, resulting in payouts (a combination of cash and common stock) as follows:

| | 2015 | 2014 |
|---|------------|------------|
| | 2012 Grant | 2011 Grant |
| Performance shares vested | 45,612 | 45,235 |
| Percentage of target number of performance shares | 167.5 | % 147.5 % |
| Aggregate payout value (in millions) | \$5.1 | \$3.4 |
| Payout - cash (in millions) | \$3.2 | \$2.9 |
| Payout - common stock shares issued | 10,975 | 4,810 |

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Performance Units - A summary of the performance units activity was as follows:

| | 2015 (a) | 2014 (a) |
|----------------------------|----------|-----------|
| Nonvested units, January 1 | 63,665 | 65,912 |
| Granted | 17,837 | 20,422 |
| Vested | (22,845 |) (20,751 |
| Forfeited | (333 |) (761 |
| Nonvested units, June 30 | 58,324 | 64,822 |

(a) Unit amounts represent the target number of performance units.

During the six months ended June 30, certain performance units vested, resulting in cash payouts as follows:

| | 2015 | 2014 |
|--|------------|------------|
| | 2012 Grant | 2011 Grant |
| Performance units vested | 22,845 | 20,751 |
| Percentage of target number of performance units | 167.5 % | 147.5 % |
| Payout value (in millions) | \$1.6 | \$1.2 |

Fair Value of Awards - Information related to fair values of nonvested performance shares and units at June 30, 2015, by year of grant, was as follows:

| | Performance Shares | | | Performance Units | | |
|--|--------------------|------------|------------|-------------------|------------|------------|
| | 2015 Grant | 2014 Grant | 2013 Grant | 2015 Grant | 2014 Grant | 2013 Grant |
| Nonvested awards | 45,403 | 49,719 | 49,093 | 17,504 | 19,440 | 21,380 |
| Alliant Energy common stock closing price on June 30, 2015 | \$57.72 | \$57.72 | \$57.72 | | | |
| Alliant Energy common stock closing price on grant date | | | | \$65.09 | \$53.77 | \$47.58 |
| Estimated payout percentage based on performance criteria | 100 % | 133 % | 180 % | 100 % | 133 % | 180 % |
| Fair values of each nonvested award | \$57.72 | \$76.77 | \$103.90 | \$65.09 | \$71.51 | \$85.64 |

At June 30, 2015, fair values of nonvested performance shares and units were calculated based on Alliant Energy's stock price and anticipated total shareowner returns of Alliant Energy and its investor-owned utility peer group over the performance period. The portion of the fair values based on anticipated total shareowner returns was estimated using a model that incorporates the probability of meeting performance targets based on historical returns relative to the peer group.

Performance Contingent Restricted Stock - A summary of the performance contingent restricted stock activity was as follows:

| | 2015 | | 2014 | |
|-----------------------------|---------|-----------------------------|---------|-----------------------------|
| | Shares | Weighted Average Fair Value | Shares | Weighted Average Fair Value |
| Nonvested shares, January 1 | 98,812 | \$50.69 | 158,922 | \$42.71 |
| Granted | 45,403 | 65.09 | 51,221 | 53.77 |
| Vested (a) | (49,093 |) 47.58 | (90,847 |) 40.91 |
| Forfeited | — | — | (20,484 |) 39.85 |
| Nonvested shares, June 30 | 95,122 | 59.17 | 98,812 | 50.69 |

In 2015, 49,093 performance contingent restricted shares granted in 2013 vested because the specified performance (a) criteria for such shares were met. In 2014, 45,612 and 45,235 performance contingent restricted shares granted in 2012 and 2011, respectively, vested because the specified performance criteria for such shares were met.

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Performance Contingent Cash Awards - A summary of the performance contingent cash awards activity was as follows:

| | 2015 | 2014 |
|-----------------------------|---------|-----------|
| Nonvested awards, January 1 | 78,930 | 96,977 |
| Granted | 41,105 | 42,446 |
| Vested (a) | (37,332 |) (55,517 |
| Forfeited | (709 |) (4,098 |
| Nonvested awards, June 30 | 81,994 | 79,808 |

In 2015, 37,332 performance contingent cash awards granted in 2013 vested, resulting in cash payouts valued at (a)\$2.4 million. In 2014, 34,766 and 20,751 performance contingent cash awards granted in 2012 and 2011 vested, resulting in cash payouts valued at \$1.9 million and \$1.1 million, respectively.

(10) ASSET RETIREMENT OBLIGATIONS

A reconciliation of the changes in AROs associated with long-lived assets is as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|---------------------------------------|----------------|---------|---------|--------|--------|--------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Balance, January 1 | \$114.0 | \$109.7 | \$51.8 | \$47.9 | \$52.4 | \$52.4 |
| Revisions in estimated cash flows (a) | 2.1 | — | 0.9 | — | 1.2 | — |
| Liabilities settled | (6.4 |) (0.7 |) (2.4 |) (0.4 |) (4.0 |) (0.3 |
| Liabilities incurred (a) | 72.3 | 16.5 | 56.1 | 16.3 | 16.2 | 0.2 |
| Accretion expense | 2.2 | 2.1 | 0.9 | 1.0 | 0.9 | 0.8 |
| Balance, June 30 | \$184.2 | \$127.6 | \$107.3 | \$64.8 | \$66.7 | \$53.1 |

In April 2015, the EPA published the final CCR Rule, which regulates CCR as a non-hazardous waste and is effective October 2015. IPL and WPL have nine and three coal-fired EGUs, respectively, with coal ash ponds that are impacted by this rule. In addition, IPL and WPL have four and two active CCR landfills, respectively, that are impacted by this rule. In the second quarter of 2015, Alliant Energy, IPL and WPL recognized additional AROs of (a)\$74 million, \$57 million and \$17 million, respectively, as a result of the final CCR Rule. The increases in AROs resulted in corresponding increases in “Property, plant and equipment, net” on the respective balance sheets. Actual costs resulting from the CCR rule may be different than the amounts recorded in the second quarter of 2015 due to potential changes in compliance strategies that will be used, as well as other potential cost estimate changes. Expenditures incurred by IPL and WPL to comply with the CCR Rule are anticipated to be recovered in rates from their customers.

(11) 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 were as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|--|-----------------|------------|-----------------|------------|-----------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| June 30, 2015 | | | | | | |
| Assets: | | | | | | |
| Derivative assets (<u>Note 12</u>) | \$35.0 | \$35.0 | \$30.7 | \$30.7 | \$4.3 | \$4.3 |
| Deferred proceeds (sales of receivables) (<u>Note 4(a)</u>) | 73.4 | 73.4 | 73.4 | 73.4 | — | — |
| Capitalization and liabilities: | | | | | | |
| Long-term debt (including current maturities) (<u>Note 7(b)</u>) | 3,750.9 | 4,214.4 | 1,730.2 | 1,937.2 | 1,574.1 | 1,824.0 |

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| | | | | | | |
|---|-------|-------|-------|-------|------|------|
| Cumulative preferred stock | 200.0 | 198.9 | 200.0 | 198.9 | — | — |
| Derivative liabilities (<u>Note 12</u>) | 47.0 | 47.0 | 20.7 | 20.7 | 26.3 | 26.3 |

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| December 31, 2014 | Alliant Energy | | IPL | | WPL | |
|--|-----------------|------------|-----------------|------------|-----------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Assets: | | | | | | |
| Derivative assets (<u>Note 12</u>) | \$38.6 | \$38.6 | \$28.0 | \$28.0 | \$10.6 | \$10.6 |
| Deferred proceeds (sales of receivables) (<u>Note 4(a)</u>) | 177.2 | 177.2 | 177.2 | 177.2 | — | — |
| Capitalization and liabilities: | | | | | | |
| Long-term debt (including current maturities) (<u>Note 7(b)</u>) | 3,789.7 | 4,418.2 | 1,768.7 | 2,053.0 | 1,573.9 | 1,908.9 |
| Cumulative preferred stock | 200.0 | 200.2 | 200.0 | 200.2 | — | — |
| Derivative liabilities (<u>Note 12</u>) | 37.6 | 37.6 | 19.5 | 19.5 | 18.1 | 18.1 |

Valuation Hierarchy - At each reporting date, Level 1 items included IPL's 5.1% cumulative preferred stock, Level 2 items included certain non-exchange traded commodity contracts and substantially all of the long-term debt instruments, and Level 3 items included FTRs, certain non-exchange traded commodity contracts and IPL's deferred proceeds.

Valuation Techniques -

Derivative assets and derivative liabilities - Derivative instruments are periodically used for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs, and risk policies are maintained that govern the use of such derivative instruments. Derivative instruments were not designated as hedging instruments and included the following:

| Risk management purpose | Type of instrument |
|---|--|
| Mitigate pricing volatility for: | |
| Electricity purchased to supply customers | Electric swap and physical forward contracts (IPL and WPL) |
| Fuel used to supply natural gas-fired EGUs | Natural gas swap, options and physical forward contracts (IPL and WPL) |
| Natural gas supplied to retail customers | Natural gas options and physical forward contracts (IPL and WPL) |
| Fuel used at coal-fired EGUs | Natural gas swap contracts (IPL) |
| Optimize the value of natural gas pipeline capacity | Coal physical forward contracts (IPL and WPL) |
| | Natural gas physical forward contracts (IPL and WPL) |
| Manage transmission congestion costs | Natural gas swap contracts (IPL) |
| | FTRs (IPL and WPL) |

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. A portion of these indicative price quotations were corroborated using quoted prices for similar assets or liabilities in active markets and categorized derivative instruments based on such indicative price quotations as Level 2. 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. Swap, option and physical forward commodity contracts were predominately at liquid trading points. FTRs were valued using monthly or annual auction shadow prices from relevant auctions and were categorized as Level 3. Refer to Note 12 for additional details of derivative assets and derivative liabilities.

The fair value measurements of Level 3 derivative instruments include observable and unobservable inputs. 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 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.

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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 4(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 7(b) for additional information regarding long-term debt.

Cumulative preferred stock - 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 at each reporting date.

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

| Alliant Energy | June 30, 2015 | | | | December 31, 2014 | | | |
|---|---------------|---------|---------|---------|-------------------|---------|---------|---------|
| | Fair Value | Level 1 | Level 2 | Level 3 | Fair Value | Level 1 | Level 2 | Level 3 |
| Assets: | | | | | | | | |
| Derivatives - commodity contracts | \$35.0 | \$— | \$3.0 | \$32.0 | \$38.6 | \$— | \$2.6 | \$36.0 |
| Deferred proceeds | 73.4 | — | — | 73.4 | 177.2 | — | — | 177.2 |
| Capitalization and liabilities: | | | | | | | | |
| Long-term debt (including current maturities) | 4,214.4 | — | 4,210.7 | 3.7 | 4,418.2 | — | 4,414.9 | 3.3 |
| Cumulative preferred stock | 198.9 | 198.9 | — | — | 200.2 | 200.2 | — | — |
| Derivatives - commodity contracts | 47.0 | — | 15.6 | 31.4 | 37.6 | — | 19.5 | 18.1 |
| IPL | | | | | | | | |
| Assets: | | | | | | | | |
| Derivatives - commodity contracts | \$30.7 | \$— | \$1.9 | \$28.8 | \$28.0 | \$— | \$2.4 | \$25.6 |
| Deferred proceeds | 73.4 | — | — | 73.4 | 177.2 | — | — | 177.2 |
| Capitalization and liabilities: | | | | | | | | |
| Long-term debt (including current maturities) | 1,937.2 | — | 1,937.2 | — | 2,053.0 | — | 2,053.0 | — |
| Cumulative preferred stock | 198.9 | 198.9 | — | — | 200.2 | 200.2 | — | — |
| Derivatives - commodity contracts | 20.7 | — | 10.2 | 10.5 | 19.5 | — | 13.3 | 6.2 |
| WPL | | | | | | | | |
| Assets: | | | | | | | | |
| | \$4.3 | \$— | \$1.1 | \$3.2 | \$10.6 | \$— | \$0.2 | \$10.4 |

Derivatives - commodity
contracts

Capitalization and liabilities:

| | | | | | | | | |
|---|---------|---|---------|------|---------|---|---------|------|
| Long-term debt (including current maturities) | 1,824.0 | — | 1,824.0 | — | 1,908.9 | — | 1,908.9 | — |
| Derivatives - commodity contracts | 26.3 | — | 5.4 | 20.9 | 18.1 | — | 6.2 | 11.9 |

Unrealized gains and losses from derivative instruments are generally recorded with offsets to regulatory assets or regulatory liabilities, based on 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.

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

| | | | | |
|--|-------------------------------|---------|-------------------|---------|
| Alliant Energy | Commodity Contract Derivative | | Deferred Proceeds | |
| | Assets and (Liabilities), net | | | |
| Three Months Ended June 30 | 2015 | 2014 | 2015 | 2014 |
| Beginning balance, April 1 | (\$13.1) | \$23.9 | \$117.7 | \$170.8 |
| Total net gains (losses) (realized/unrealized) included in changes in net assets | (19.6) | 16.9 | — | — |
| Transfers out of Level 3 | 1.0 | — | — | — |
| Purchases | 36.8 | 76.7 | — | — |
| Sales | (0.4) | — | — | — |
| Settlements (a) | (4.1) | (16.3) | (44.3) | 22.9 |
| Ending balance, June 30 | \$0.6 | \$101.2 | \$73.4 | \$193.7 |
| The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at June 30 | (\$17.7) | \$16.3 | \$— | \$— |
| Alliant Energy | Commodity Contract Derivative | | Deferred Proceeds | |
| | Assets and (Liabilities), net | | | |
| Six Months Ended June 30 | 2015 | 2014 | 2015 | 2014 |
| Beginning balance, January 1 | \$17.9 | \$4.4 | \$177.2 | \$203.5 |
| Total net gains (losses) (realized/unrealized) included in changes in net assets | (36.8) | 54.7 | — | — |
| Transfers out of Level 3 | 0.6 | — | — | — |
| Purchases | 36.8 | 76.7 | — | — |
| Sales | (1.2) | — | — | — |
| Settlements (a) | (16.7) | (34.6) | (103.8) | (9.8) |
| Ending balance, June 30 | \$0.6 | \$101.2 | \$73.4 | \$193.7 |
| The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at June 30 | (\$33.9) | \$46.0 | \$— | \$— |
| IPL | Commodity Contract Derivative | | Deferred Proceeds | |
| | Assets and (Liabilities), net | | | |
| Three Months Ended June 30 | 2015 | 2014 | 2015 | 2014 |
| Beginning balance, April 1 | (\$5.0) | \$7.8 | \$117.7 | \$170.8 |
| Total net gains (losses) (realized/unrealized) included in changes in net assets | (5.0) | 0.6 | — | — |
| Transfers out of Level 3 | 0.2 | — | — | — |
| Purchases | 33.1 | 68.8 | — | — |
| Sales | (0.4) | — | — | — |
| Settlements (a) | (4.6) | (13.0) | (44.3) | 22.9 |
| Ending balance, June 30 | \$18.3 | \$64.2 | \$73.4 | \$193.7 |

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| | | | | | |
|--|--------|---|-------|-----|-----|
| The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at June 30 | (\$4.2 |) | \$0.7 | \$— | \$— |
|--|--------|---|-------|-----|-----|

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| IPL | Commodity Contract Derivative | | Deferred Proceeds | |
|--|----------------------------------|---------|-------------------|---------|
| | Assets and (Liabilities), net | | 2015 | 2014 |
| Six Months Ended June 30 | 2015 | 2014 | 2015 | 2014 |
| Beginning balance, January 1 | \$19.4 | \$14.6 | \$177.2 | \$203.5 |
| Total net gains (losses) (realized/unrealized) included in changes in net assets | (17.4) | 4.4 | — | — |
| Purchases | 33.1 | 68.8 | — | — |
| Sales | (1.1) | — | — | — |
| Settlements (a) | (15.7) | (23.6) | (103.8) | (9.8) |
| Ending balance, June 30 | \$18.3 | \$64.2 | \$73.4 | \$193.7 |
| The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at June 30 | (\$14.3) | \$3.7 | \$— | \$— |

| WPL | Commodity Contract Derivative | | Deferred Proceeds | |
|--|----------------------------------|--------|-------------------|------|
| | Assets and (Liabilities), net | | 2015 | 2014 |
| Three Months Ended June 30 | 2015 | 2014 | 2015 | 2014 |
| Beginning balance, April 1 | (\$8.1) | \$16.1 | — | — |
| Total net gains (losses) (realized/unrealized) included in changes in net assets | (14.6) | 16.3 | — | — |
| Transfers out of Level 3 | 0.8 | — | — | — |
| Purchases | 3.7 | 7.9 | — | — |
| Settlements | 0.5 | (3.3) | — | — |
| Ending balance, June 30 | (\$17.7) | \$37.0 | — | — |
| The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at June 30 | (\$13.5) | \$15.6 | — | — |

| WPL | Commodity Contract Derivative | | Deferred Proceeds | |
|--|----------------------------------|-----------|-------------------|------|
| | Assets and (Liabilities), net | | 2015 | 2014 |
| Six Months Ended June 30 | 2015 | 2014 | 2015 | 2014 |
| Beginning balance, January 1 | (\$1.5) | (\$10.2) | — | — |
| Total net gains (losses) (realized/unrealized) included in changes in net assets | (19.4) | 50.3 | — | — |
| Transfers out of Level 3 | 0.6 | — | — | — |
| Purchases | 3.7 | 7.9 | — | — |
| Sales | (0.1) | — | — | — |
| Settlements | (1.0) | (11.0) | — | — |
| Ending balance, June 30 | (\$17.7) | \$37.0 | — | — |
| The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at June 30 | (\$19.6) | \$42.3 | — | — |

Settlements related to deferred proceeds are due to the change in the carrying amount of receivables sold less the (a) allowance for doubtful accounts associated with the receivables sold and cash proceeds received from the receivables sold.

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Commodity Contracts - The fair value of electric, natural gas and coal commodity contracts categorized as Level 3 was recognized as net derivative assets (liabilities) as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|-------------------|----------------|----------|----------------|----------|----------------|---------|
| | Excluding FTRs | FTRs | Excluding FTRs | FTRs | Excluding FTRs | FTRs |
| June 30, 2015 | (\$28.3 |) \$28.9 | (\$9.0 |) \$27.3 | (\$19.3 |) \$1.6 |
| December 31, 2014 | (7.0 |) 24.9 | (3.2 |) 22.6 | (3.8 |) 2.3 |

(12) DERIVATIVE INSTRUMENTS

Commodity Derivatives -

Purpose - Derivative instruments are periodically used for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs. Refer to Note 11 for detailed discussion of derivative instruments.

Notional Amounts - As of June 30, 2015, 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):

| | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------|--------|--------|-------|-------|--------|
| Alliant Energy | | | | | |
| Electricity (MWhs) | 2,432 | 3,240 | 1,314 | 1,314 | 8,300 |
| FTRs (MWhs) | 11,952 | 9,961 | — | — | 21,913 |
| Natural gas (Dths) | 36,167 | 34,330 | 9,079 | 126 | 79,702 |
| Coal (tons) | 897 | 2,260 | 1,073 | 1,113 | 5,343 |
| IPL | | | | | |
| Electricity (MWhs) | 1,100 | 809 | — | — | 1,909 |
| FTRs (MWhs) | 6,664 | 5,696 | — | — | 12,360 |
| Natural gas (Dths) | 23,343 | 18,103 | 2,886 | 126 | 44,458 |
| Coal (tons) | 189 | 830 | 274 | 387 | 1,680 |
| WPL | | | | | |
| Electricity (MWhs) | 1,332 | 2,431 | 1,314 | 1,314 | 6,391 |
| FTRs (MWhs) | 5,288 | 4,265 | — | — | 9,553 |
| Natural gas (Dths) | 12,824 | 16,227 | 6,193 | — | 35,244 |
| Coal (tons) | 708 | 1,430 | 799 | 726 | 3,663 |

Financial Statement Presentation - Derivative instruments are recorded at fair value each reporting date on the balance sheets as assets or liabilities. 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 liabilities” on the balance sheets as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|------------------------------------|----------------|-------------------|---------------|-------------------|---------------|-------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Commodity contracts | | | | | | |
| Current derivative assets | \$34.2 | \$30.5 | \$30.0 | \$27.4 | \$4.2 | \$3.1 |
| Non-current derivative assets | 0.8 | 8.1 | 0.7 | 0.6 | 0.1 | 7.5 |
| Current derivative liabilities | 27.1 | 28.1 | 13.8 | 16.4 | 13.3 | 11.7 |
| Non-current derivative liabilities | 19.9 | 9.5 | 6.9 | 3.1 | 13.0 | 6.4 |

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Changes in unrealized gains (losses) from commodity derivative instruments were recorded with offsets to regulatory assets or regulatory liabilities on the balance sheets as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|----------------------------|----------------|----------|-----------|----------|----------|----------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Three Months Ended June 30 | | | | | | |
| Regulatory assets | (\$21.2) | (\$4.6) | (\$12.1) | (\$4.1) | (\$9.1) | (\$0.5) |
| Regulatory liabilities | (4.6) | 21.3 | 3.6 | 3.8 | (8.2) | 17.5 |
| Six Months Ended June 30 | | | | | | |
| Regulatory assets | (42.1) | 5.5 | (23.8) | 1.4 | (18.3) | 4.1 |
| Regulatory liabilities | (2.4) | 69.4 | 2.2 | 15.9 | (4.6) | 53.5 |

Credit Risk-related Contingent Features - Various agreements contain credit risk-related contingent features, including requirements to maintain certain credit ratings and/or limitations on liability positions under the agreements based on credit ratings. Certain of these agreements with credit risk-related contingency features are accounted for as derivative instruments. In the event of a material change in creditworthiness or if liability positions exceed certain contractual limits, credit support may need to be provided in the form of letters of credit or cash collateral up to the amount of exposure under the contracts, or the contracts may need to be unwound and underlying liability positions paid. The aggregate fair value of all derivative instruments with credit risk-related contingent features in a net liability position, as well as amounts that would be required to be posted as credit support to counterparties by Alliant Energy, IPL or WPL if the most restrictive credit risk-related contingent features for derivative agreements in a net liability position were triggered, were as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|--|----------------|-------------------|---------------|-------------------|---------------|-------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Aggregate fair value | \$47.0 | \$37.6 | \$20.7 | \$19.5 | \$26.3 | \$18.1 |
| Credit support to be posted if triggered | 46.9 | 37.4 | 20.7 | 19.5 | 26.2 | 17.9 |

Balance Sheet Offsetting - The fair value amounts of derivative instruments subject to a master netting arrangement are not netted by counterparty on the balance sheets. However, if the fair value amounts of derivative instruments by counterparty were netted, derivative assets and derivative liabilities related to commodity contracts would have been presented on the balance sheets as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|------------------------|---------------------|--------|---------------------|--------|---------------------|-------|
| | Gross (as reported) | Net | Gross (as reported) | Net | Gross (as reported) | Net |
| June 30, 2015 | | | | | | |
| Derivative assets | \$35.0 | \$32.0 | \$30.7 | \$29.3 | \$4.3 | \$2.7 |
| Derivative liabilities | 47.0 | 44.0 | 20.7 | 19.3 | 26.3 | 24.7 |
| December 31, 2014 | | | | | | |
| Derivative assets | 38.6 | 33.0 | 28.0 | 24.7 | 10.6 | 8.3 |
| Derivative liabilities | 37.6 | 32.0 | 19.5 | 16.2 | 18.1 | 15.8 |

Fair value amounts recognized for the right to reclaim cash collateral (receivable) or the obligation to return cash collateral (payable) are not offset against fair value amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement.

(13) COMMITMENTS AND CONTINGENCIES

(a) Capital Purchase Obligations - Various contractual obligations contain minimum future commitments related to capital expenditures for certain construction projects. WPL's projects include the installation of a scrubber and baghouse at Edgewater Unit 5 to reduce SO₂ and mercury emissions, and generation maintenance and performance improvements at Columbia Units 1 and 2. At June 30, 2015, Alliant Energy's and WPL's minimum future commitments related to certain contractual obligations for these projects were \$30 million.

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(b) Operating Expense Purchase Obligations - Various commodity supply, transportation and storage contracts help meet obligations to provide electricity and natural gas to utility customers. Other operating expense purchase obligations with various vendors provide other goods and services. At June 30, 2015, minimum future commitments related to these operating expense purchase obligations were as follows (in millions):

| | Alliant Energy | IPL | WPL |
|-------------------------|----------------|---------|-------|
| Purchased power (a): | | | |
| DAEC (IPL) | \$1,480 | \$1,480 | \$— |
| Other | 202 | 1 | 201 |
| | 1,682 | 1,481 | 201 |
| Natural gas | 270 | 165 | 105 |
| Coal (b) | 279 | 114 | 165 |
| SO2 emission allowances | 22 | 22 | — |
| Other (c) | 24 | 17 | 7 |
| | \$2,277 | \$1,799 | \$478 |

(a) Includes payments required by PPAs for capacity rights and minimum quantities of MWhs required to be purchased.

Corporate Services entered into system-wide coal contracts on behalf of IPL and WPL that include minimum (b) future commitments. These commitments were assigned to IPL and WPL based on information available as of June 30, 2015 regarding expected future usage, which is subject to change.

(c) Includes individual commitments incurred during the normal course of business that exceeded \$1 million at June 30, 2015.

(c) Legal Proceedings -

IPL Consent Decree - In July 2015, IPL entered into a Consent Decree with the EPA, the Sierra Club, the State of Iowa and Linn County in Iowa to resolve potential claims regarding CAA issues associated with emissions from IPL's coal-fired generating facilities in Iowa, while admitting no liability. In July 2015, the Consent Decree was lodged with, and is subject to approval by, the U.S. District Court for the Northern District of Iowa. Under the Consent Decree, IPL is required to install the following emission control systems:

- Scrubber and baghouse at the Ottumwa Generating Station by December 31, 2015 (placed in service in 2014);
- Scrubber and baghouse at the Lansing Generating Station by December 31, 2016 (placed in service in June 2015 and in 2010, respectively); and
- SCR system or equivalent NOx reduction system at the Ottumwa Generating Station by December 31, 2019.

IPL is also required to fuel switch or retire the following EGUs:

- M.L. Kapp Generating Station by August 31, 2015 (switched the fuel type from coal to natural gas in June 2015);
- Prairie Creek Unit 4 by June 1, 2018;
- Burlington Generating Station by December 31, 2021; and
- Prairie Creek Units 1 and 3 by December 31, 2025.

In addition, IPL is required to either install combined cycle technology at, or retire, the Dubuque and Sutherland Generation Stations by June 1, 2019. IPL previously switched the fuel type from coal to natural gas at these EGUs.

The Consent Decree also establishes SO2, NOx and particulate matter emission rate limits with varying averaging times for the Burlington, Lansing, M.L. Kapp, Ottumwa and Prairie Creek Generating Stations. In addition, the Consent Decree includes calendar-year SO2 and NOx emission caps for the Prairie Creek Generating Station, and

calendar-year SO₂ and NO_x emission caps in aggregate for the Burlington, Dubuque, Lansing, M.L. Kapp, Ottumwa, Prairie Creek and Sutherland Generating Stations. IPL will also pay a civil penalty of approximately \$1 million and complete approximately \$6 million in environmental mitigation projects.

Alliant Energy and IPL currently expect to recover costs incurred by IPL related to the emission control systems and environmental mitigation projects from IPL's electric customers. The recovery of such costs will be decided by IPL's regulators in future rate cases or other proceedings. Alliant Energy and IPL currently do not expect to recover costs related to the civil penalty from IPL's electric customers.

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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 assert 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 Plaintiffs appealed the federal court's dismissal of the case to the Eighth Circuit Court of Appeals. In May 2015, the Eighth Circuit Court of Appeals vacated the U.S. District Court for the Northern District of Iowa's decision and ordered the case remanded back to the Iowa District Court for Linn County. 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 these claims are both probable and reasonably estimated, and therefore, has not recognized any material loss contingency amounts for this complaint as of June 30, 2015. Due to the lack of specific damages identified and the procedural nature of the activity to date, Alliant Energy is currently unable to provide an estimate of potential loss or range of potential loss.

(d) Guarantees and Indemnifications -

RMT - In 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 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 contractual warranty periods for RMT's projects generally range from 12 to 60 months with the latest expiring in 2016. Limited warranties may be extended in certain cases for warranty work performed.

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 June 30, 2015, Alliant Energy had \$198 million of performance guarantees outstanding, with \$75 million, \$48 million and \$75 million currently expected to expire in 2015, 2016 and 2017, respectively. The expiration of these performance guarantees may be extended depending on when all valid warranty claims are resolved for the respective projects.

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 June 30, 2015. Alliant Energy does not currently believe that the range of future potential loss from any warranty claims will be material. Refer to Note 16 for further discussion of RMT, including amounts Alliant Energy recorded to "Operating expenses" in the second quarter of 2015 related to certain warranty claims.

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 June 30, 2015, the present value of the abandonment obligations is estimated at \$36 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 June 30, 2015.

(e) Environmental Matters -

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 24 and 5 sites, respectively. No longer included in IPL's sites is a Minnesota site for which responsibility of monitoring and/or remediating the site was transferred to the buyer as part of the sale of IPL's Minnesota natural gas distribution assets completed in April 2015.

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Environmental liabilities related to the MGP sites are recorded 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. At June 30, 2015, estimated future costs expected to be incurred for the investigation, remediation and monitoring of the MGP sites, as well as environmental liabilities recorded on the balance sheets for these sites, were as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|---|----------------|-------|------|-------|-----|------|
| Range of estimated future costs | \$12 | -\$29 | \$10 | -\$26 | \$2 | -\$3 |
| Current and non-current environmental liabilities | 16 | | 14 | | 2 | |

WPL Consent Decree - In 2009, the EPA sent a notice of violation to WPL as an owner and the operator of Edgewater, Nelson Dewey and Columbia alleging that the owners of such EGUs failed to comply with appropriate pre-construction review and permitting requirements and as a result violated the Prevention of Significant Deterioration program requirements, Title V Operating Permit requirements of the CAA and the Wisconsin State Implementation Plan. 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 Prevention of Significant Deterioration program requirements, Title V Operating Permit requirements of the CAA and state regulatory counterparts contained within the Wisconsin State Implementation Plan 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 U.S. District Court for the Western District of Wisconsin, 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 2012);
- §Scrubbers and baghouses at Columbia Units 1 and 2 by December 31, 2014 (placed in service in 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, NO_x and particulate matter 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 NO_x for Columbia, Edgewater and Nelson Dewey. In addition, WPL 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 and WPL currently expect to recover any material costs incurred by WPL related to compliance with the terms of the Consent Decree from WPL's electric customers.

Other Environmental Contingencies - In addition to the environmental liabilities discussed above, various environmental rules are monitored that may have a significant impact on future operations. Several of these environmental rules are subject to legal challenges, reconsideration and/or other uncertainties. Given uncertainties regarding the outcome, timing and compliance plans for these environmental matters, the complete financial impact of each of these rules is not able to be determined; however future capital investments and/or modifications to EGUs to comply with certain of these rules could be significant. Specific current, proposed or potential environmental matters include, among others: Cross-State Air Pollution Rule, Clean Air Visibility Rule, Mercury and Air Toxic Standard Rule, Industrial Boiler and Process Heater Maximum Achievable Control Technology Rule, Ozone National Ambient Air Quality Standards Rule, SO₂ National Ambient Air Quality Standards Rule, Federal Clean Water Act including Section 316(b), Effluent Limitation Guidelines, Hydroelectric Fish Passage Device, CCR Rule, and various legislation and EPA regulations to monitor and regulate the emission of greenhouse gases, including carbon emissions from new (CAA Section 111(b)) and existing (CAA Section 111(d)) fossil-fueled EGUs. Some recent developments concerning these environmental matters are included below:

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Air Quality -

Clean Air Act Section 111(d) - In August 2015, the EPA issued final standards under Section 111(d) of the CAA, which establish guidelines for states to follow in developing plans to reduce carbon dioxide emissions from existing fossil-fueled EGUs. The final standards include an interim compliance period from 2022 through 2029 and a final compliance goal beginning in 2030. In August 2015, the EPA also issued a proposed federal plan that would be implemented in states that do not have a fully approved state plan.

Clean Air Act Section 111(b) - In August 2015, the EPA issued final standards under Section 111(b) of the CAA, which establish carbon dioxide emissions limits for certain new fossil-fueled EGUs. Marshalltown and WPL's proposed Riverside expansion are expected to be impacted by these standards. Marshalltown is being constructed, and WPL's proposed Riverside expansion is being designed, to achieve compliance with these standards.

Land and Solid Waste -

CCR Rule - Refer to Note 10 for discussion of the final CCR Rule, including additional AROs that were recognized in the second quarter of 2015 related to such rule.

(14) SEGMENTS OF BUSINESS

Alliant Energy - Certain financial information relating to Alliant Energy's business segments is as follows. Intersegment revenues were not material to Alliant Energy's operations.

| | Utility | | | | Non-Regulated, Parent and Other | | Alliant Energy Consolidated |
|--|---------------|--------|--------|---------|---------------------------------------|--|-----------------------------------|
| | Electric | Gas | Other | Total | | | |
| | (in millions) | | | | | | |
| Three Months Ended June 30, 2015 | | | | | | | |
| Operating revenues | \$640.4 | \$51.7 | \$14.8 | \$706.9 | \$10.3 | | \$717.2 |
| Operating income (loss) | 100.9 | (2.0) | 3.2 | 102.1 | 6.9 | | 109.0 |
| Amounts attributable to Alliant Energy common shareowners: | | | | | | | |
| Income from continuing operations, net of tax | | | | 55.7 | 13.2 | | 68.9 |
| Loss from discontinued operations, net of tax | | | | — | (1.3) | | (1.3) |
| Net income | | | | 55.7 | 11.9 | | 67.6 |
| Three Months Ended June 30, 2014 | | | | | | | |
| Operating revenues | \$643.9 | \$76.9 | \$15.6 | \$736.4 | \$13.9 | | \$750.3 |
| Operating income | 89.1 | 2.7 | 2.2 | 94.0 | 9.3 | | 103.3 |
| Amounts attributable to Alliant Energy common shareowners: | | | | | | | |
| Income from continuing operations, net of tax | | | | 53.0 | 9.1 | | 62.1 |
| Loss from discontinued operations, net of tax | | | | — | (0.3) | | (0.3) |
| Net income | | | | 53.0 | 8.8 | | 61.8 |

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| | Utility | | | | Non-Regulated, Alliant Energy | |
|--|-----------|---------|--------|-----------|-------------------------------|--------------|
| | Electric | Gas | Other | Total | Parent and Other | Consolidated |
| (in millions) | | | | | | |
| Six Months Ended June 30, 2015 | | | | | | |
| Operating revenues | \$1,311.7 | \$250.1 | \$31.2 | \$1,593.0 | \$21.6 | \$1,614.6 |
| Operating income | 205.6 | 34.3 | 8.5 | 248.4 | 13.5 | 261.9 |
| Amounts attributable to Alliant Energy common shareowners: | | | | | | |
| Income from continuing operations, net of tax | | | | 148.1 | 17.4 | 165.5 |
| Loss from discontinued operations, net of tax | | | | — | (1.3) | (1.3) |
| Net income | | | | 148.1 | 16.1 | 164.2 |
| Six Months Ended June 30, 2014 | | | | | | |
| Operating revenues | \$1,319.7 | \$317.6 | \$38.4 | \$1,675.7 | \$27.4 | \$1,703.1 |
| Operating income | 183.4 | 45.7 | 10.1 | 239.2 | 18.3 | 257.5 |
| Amounts attributable to Alliant Energy common shareowners: | | | | | | |
| Income from continuing operations, net of tax | | | | 151.2 | 18.9 | 170.1 |
| Loss from discontinued operations, net of tax | | | | — | (0.3) | (0.3) |
| Net income | | | | 151.2 | 18.6 | 169.8 |

IPL - Certain financial information relating to IPL's business segments is as follows. Intersegment revenues were not material to IPL's operations.

| | Electric (in millions) | Gas | Other | Total |
|-------------------------------------|---------------------------|---------|--------|---------|
| Three Months Ended June 30, 2015 | | | | |
| Operating revenues | \$339.4 | \$29.8 | \$13.0 | \$382.2 |
| Operating income (loss) | 33.9 | (2.4) | 2.3 | 33.8 |
| Earnings available for common stock | | | | 16.7 |
| Three Months Ended June 30, 2014 | | | | |
| Operating revenues | \$354.6 | \$43.7 | \$13.6 | \$411.9 |
| Operating income | 29.0 | 1.6 | 3.4 | 34.0 |
| Earnings available for common stock | | | | 18.4 |
| Six Months Ended June 30, 2015 | | | | |
| Operating revenues | \$702.0 | \$141.0 | \$28.2 | \$871.2 |
| Operating income | 74.2 | 18.2 | 6.9 | 99.3 |
| Earnings available for common stock | | | | 64.5 |
| Six Months Ended June 30, 2014 | | | | |
| Operating revenues | \$728.8 | \$179.4 | \$32.6 | \$940.8 |
| Operating income | 55.5 | 24.9 | 11.1 | 91.5 |
| Earnings available for common stock | | | | 61.8 |

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WPL - Certain financial information relating to WPL's business segments is as follows. Intersegment revenues were not material to WPL's operations.

| | Electric (in millions) | Gas | Other | Total |
|-------------------------------------|---------------------------|---------|-------|---------|
| Three Months Ended June 30, 2015 | | | | |
| Operating revenues | \$301.0 | \$21.9 | \$1.8 | \$324.7 |
| Operating income | 67.0 | 0.4 | 0.9 | 68.3 |
| Earnings available for common stock | | | | 39.0 |
| Three Months Ended June 30, 2014 | | | | |
| Operating revenues | \$289.3 | \$33.2 | \$2.0 | \$324.5 |
| Operating income (loss) | 60.1 | 1.1 | (1.2) | 60.0 |
| Earnings available for common stock | | | | 34.6 |
| Six Months Ended June 30, 2015 | | | | |
| Operating revenues | \$609.7 | \$109.1 | \$3.0 | \$721.8 |
| Operating income | 131.4 | 16.1 | 1.6 | 149.1 |
| Earnings available for common stock | | | | 83.6 |
| Six Months Ended June 30, 2014 | | | | |
| Operating revenues | \$590.9 | \$138.2 | \$5.8 | \$734.9 |
| Operating income (loss) | 127.9 | 20.8 | (1.0) | 147.7 |
| Earnings available for common stock | | | | 89.4 |

(15) RELATED PARTIES

Service Agreements - IPL and WPL are parties to service agreements with an affiliate, Corporate Services. Pursuant to these service agreements, IPL and WPL receive various administrative and general services. These services are billed to IPL and WPL at cost based on expenses incurred by Corporate Services for the benefit of IPL and WPL, respectively. These costs consisted primarily of employee compensation and benefits, fees associated with various professional services and a return on net assets. Corporate Services also acts as agent on behalf of IPL and WPL pursuant to the service agreements. As agent, Corporate Services enters into energy, capacity, ancillary services, and transmission sale and purchase transactions within MISO and PJM. Corporate Services assigns such sales and purchases among IPL and WPL based on statements received from MISO and PJM. The amounts billed for services provided, sales credited and purchases for the three and six months ended June 30 were as follows (in millions):

| | IPL | | WPL | | IPL | | WPL | |
|-----------------------------|--------------|------|------------|------|--------------|------|------------|------|
| | Three Months | | Six Months | | Three Months | | Six Months | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Corporate Services billings | \$40 | \$41 | \$76 | \$74 | \$32 | \$31 | \$60 | \$59 |
| Sales credited | 2 | 2 | 6 | 4 | 6 | 3 | 12 | 2 |
| Purchases billed | 89 | 108 | 168 | 207 | 19 | 28 | 33 | 58 |

Net intercompany payables to Corporate Services were as follows (in millions):

| | IPL | | WPL | |
|------------------------------------|---------------|-------------------|---------------|-------------------|
| | June 30, 2015 | December 31, 2014 | June 30, 2015 | December 31, 2014 |
| Net payables to Corporate Services | \$95 | \$84 | \$49 | \$58 |

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 for the three and six months ended June 30 were as follows (in millions):

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| | Three Months | | Six Months | |
|---------------------|--------------|------|------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| ATC billings to WPL | \$25 | \$24 | \$50 | \$48 |
| WPL billings to ATC | 3 | 1 | 5 | 4 |

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WPL owed ATC net amounts of \$8 million as of June 30, 2015 and \$8 million as of December 31, 2014.

(16) DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

In 2013, Alliant Energy sold RMT to narrow its strategic focus and risk profile. The operating results of RMT have been separately classified and reported as discontinued operations in Alliant Energy's income statements. A summary of the components of discontinued operations in Alliant Energy's income statements for the three and six months ended June 30 was as follows (in millions):

| | Three Months | | Six Months | |
|---|--------------|----------|------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Operating expenses | \$2.0 | \$0.6 | \$2.0 | \$0.6 |
| Loss before income taxes | (2.0 |) (0.6 |) (2.0 |) (0.6 |
| Income tax benefit | (0.7 |) (0.3 |) (0.7 |) (0.3 |
| Loss from discontinued operations, net of tax | (\$1.3 |) (\$0.3 |) (\$1.3 |) (\$0.3 |

Refer to Note 13(d) for further discussion of warranty claims associated with RMT that have resulted in operating expenses subsequent to the sale.

In April 2015, IPL completed the sale of its Minnesota natural gas distribution assets, which qualified as held for sale as of December 31, 2014. In July 2015, IPL completed the sale of its Minnesota electric distribution assets, which qualified as held for sale as of June 30, 2015. Alliant Energy and IPL evaluated the sales of IPL's Minnesota electric and natural gas distribution assets and believe such sales did not represent a strategic shift that has, or will have, a major effect on their operational and financial results. As a result, the operating results of IPL's Minnesota electric and natural gas distribution assets have not been separately classified and reported as discontinued operations in Alliant Energy's and IPL's income statements.

Alliant Energy's and IPL's balance sheets included assets held for sale recorded in "Other current assets" and liabilities held for sale recorded in "Other current liabilities" as follows (in millions):

| | Electric Distribution Assets June 30, 2015 | Natural Gas Distribution Assets December 31, 2014 |
|--|--|---|
| Assets held for sale: | | |
| Current assets | \$9.3 | \$1.1 |
| Property, plant and equipment, net | 125.0 | 11.0 |
| Non-current regulatory assets | 20.5 | 7.0 |
| Carrying value adjustment of net assets sold (a) | (8.8 |) — |
| Total assets held for sale | 146.0 | 19.1 |
| Liabilities held for sale: | | |
| Current liabilities | 2.4 | 1.0 |
| Other liabilities | 12.6 | 7.1 |
| Total liabilities held for sale | 15.0 | 8.1 |
| Net assets held for sale | \$131.0 | \$11.0 |

The carrying value of IPL's Minnesota electric distribution assets classified as held for sale exceeded the expected (a) proceeds, less costs to sell. As a result, Alliant Energy and IPL recorded a pre-tax charge of \$9 million in the second quarter of 2015 related to the Minnesota electric distribution assets.

Refer to Note 3 for further discussion of IPL's sales of its Minnesota electric and natural gas distribution assets.

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ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This MDA includes information relating to Alliant Energy, IPL and WPL, as well as Resources and Corporate Services. Where appropriate, information relating to a specific entity has been segregated and labeled as such. The following discussion and analysis should be read in conjunction with the Financial Statements and the Notes included in this report as well as the financial statements, notes and MDA included in the 2014 Form 10-K. 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
- New Accounting Pronouncements
- 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 select markets in Iowa. WPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas in select markets in southern and central Wisconsin. At June 30, 2015, WPL and Resources, through their ownership interests in WPL Transco, LLC, in aggregate held an approximate 16% ownership interest in ATC, a transmission-only utility operating primarily 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 is shown below.

Alliant Energy

Utilities, ATC and Corporate Services

- Electric and gas services in IA (IPL)
- Electric and gas services in WI (WPL)
- 16% interest in ATC (primarily WPL)
- Wholesale electric service in MN (IPL)
- Corporate Services

Non-regulated and Parent

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

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Financial Results - Alliant Energy's net income and EPS attributable to Alliant Energy common shareowners for the second quarter were as follows (dollars in millions, except per share amounts):

| | 2015 | | 2014 | |
|---------------------------------------|---------------|---------|---------------|--------|
| | Income (Loss) | EPS | Income (Loss) | EPS |
| Continuing operations: | | | | |
| Utilities, ATC and Corporate Services | \$58.9 | \$0.52 | \$55.3 | \$0.50 |
| Non-regulated and Parent | 10.0 | 0.09 | 6.8 | 0.06 |
| Income from continuing operations | 68.9 | 0.61 | 62.1 | 0.56 |
| Loss from discontinued operations | (1.3 |) (0.01 |) (0.3 |) — |
| Net income | \$67.6 | \$0.60 | \$61.8 | \$0.56 |

The table above includes utilities, ATC and Corporate Services, and non-regulated and parent EPS from continuing operations, which are non-GAAP financial measures. Alliant Energy believes utilities, ATC 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.

Utilities, ATC and Corporate Services - Higher EPS in the second quarter of 2015 compared to the second quarter of 2014 was primarily due to:

- \$0.08 per share of lower retail electric customer billing credits at IPL in the second quarter of 2015 compared to the second quarter of 2014 related to an approved settlement agreement in 2014 for its Iowa retail electric base rates;
- \$0.05 per share of lower energy efficiency cost recovery amortizations at WPL in the second quarter of 2015 compared to the second quarter of 2014; and
- an estimated \$0.03 per share of higher estimated temperature-normalized retail electric sales in the second quarter of 2015 compared to the second quarter of 2014.

These items were substantially offset by:

- \$0.06 per share of charges recorded in the second quarter of 2015 related to the sales of IPL's Minnesota electric and natural gas distribution assets;
- \$0.05 per share of higher electric transmission service expense at WPL in the second quarter of 2015 compared to the second quarter of 2014; and
- an estimated \$0.05 per share of decreases in revenues from lower electric and gas sales in the second quarter of 2015 compared to the second quarter of 2014 due to milder temperatures.

Non-regulated and Parent - Higher EPS in the second quarter of 2015 compared to the second quarter of 2014 was primarily due to \$0.03 per share related to the timing of income tax expense at the Parent in the second quarter of 2015 compared to the second quarter of 2014, which is not expected to have a material impact on the full year results.

Refer to "Results of Operations" for additional details regarding the various factors impacting earnings during the second quarters of 2015 and 2014.

Strategic Overview Highlights

The strategic plan focuses on the core business of delivering regulated electric and natural gas service in Iowa and Wisconsin, and is built upon three key elements: competitive value, exceptional service, and responsible resources. Key strategic plan developments since the filing of the 2014 Form 10-K include the following. Refer to "Strategic Overview" for a more detailed discussion of strategic plan developments.

-

March 2015 - The IUB approved IPL's most recent Emissions Plan and Budget, which includes a scrubber placed in service at Lansing Unit 4 in June 2015 to reduce SO2 emissions at the EGU.

April 2015 - WPL filed a Certificate of Public Convenience and Necessity application with the PSCW for approval to construct an approximate 650 MW natural gas-fired combined-cycle EGU in Beloit, Wisconsin, referred to as the Riverside expansion.

- April 2015 - IPL completed the sale of its Minnesota natural gas distribution assets and received proceeds of \$11 million and a promissory note of \$2 million. The proceeds were used for general corporate purposes.

July 2015 - IPL completed the sale of its Minnesota electric distribution assets and received proceeds of \$127 million, which were used to reduce cash proceeds received from IPL's sales of accounts receivable program. Final proceeds are subject to post-closing adjustments based on the value of the net assets as of the closing date and are expected to be approximately \$130 million.

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July 2015 - Alliant Energy announced plans to fuel switch Prairie Creek Unit 4 by December 31, 2017 and the Burlington Generating Station by December 31, 2021, and fuel switch or retire Prairie Creek Units 1 and 3 by December 31, 2025. Alliant Energy also announced plans to install an SCR system at Ottumwa Unit 1 by December 31, 2019 to reduce NOx emissions at the EGU. IPL's portion of the capital expenditures, excluding AFUDC, for the SCR system is currently estimated to be between \$75 million and \$100 million.

Rate Matters Highlights

Federal regulation of wholesale electric rates is administered by FERC and state regulation of retail utility rates is administered by the IUB and PSCW. Key regulatory developments since the filing of the 2014 Form 10-K include the following. Refer to "Rate Matters" for a more detailed discussion of regulatory developments.

July 2015 - WPL filed a request with the PSCW to increase annual rates for WPL's retail electric customers by \$15 million, or approximately 1%, in 2016. The increase reflects anticipated increases in retail electric fuel-rated costs in 2016. Any rate changes granted from this request are expected to be effective on January 1, 2016.

July 2015 - WPL received an order from the PSCW authorizing an annual retail electric rate increase of \$28 million, or approximately 3%, effective January 1, 2016 to recover 2014 Test Year deferred fuel-related costs.

Environmental Matters Highlights

Environmental matters are regulated by various federal, state and local authorities. Key environmental developments since the filing of the 2014 Form 10-K include the following. Refer to "Environmental Matters" for a more detailed discussion of environmental developments.

April 2015 - The EPA published the final CCR Rule, which regulates CCR as a non-hazardous waste and is effective October 2015. IPL and WPL have nine and three coal-fired EGUs, respectively, with coal ash ponds that are impacted by this rule. In addition, IPL and WPL have four and two active CCR landfills, respectively, that are impacted by this rule. In the second quarter of 2015, Alliant Energy, IPL and WPL recognized additional AROs of \$74 million, \$57 million and \$17 million, respectively, as a result of the final CCR Rule. Expenditures incurred by IPL and WPL to comply with the CCR Rule are anticipated to be recovered in rates from their customers.

July 2015 - IPL entered into a Consent Decree with the EPA, the Sierra Club, the State of Iowa and Linn County in Iowa to resolve potential claims regarding CAA issues associated with emissions from IPL's coal-fired generating facilities in Iowa, while admitting no liability. The Consent Decree was lodged with, and is subject to approval by, the U.S. District Court for the Northern District of Iowa.

August 2015 - The EPA issued final standards under Section 111(d) of the CAA, which establish guidelines for states to follow in developing plans to reduce carbon dioxide emissions from existing fossil-fueled EGUs. The final standards include an interim compliance period from 2022 through 2029 and a final compliance goal beginning in 2030. In August 2015, the EPA also issued a proposed federal plan that would be implemented in states that do not have a fully approved state plan.

August 2015 - The EPA issued final standards under Section 111(b) of the CAA, which establish carbon dioxide emissions limits for certain new fossil-fueled EGUs. Marshalltown and WPL's proposed Riverside expansion are expected to be impacted by these standards.

Liquidity and Capital Resources Highlights

Based on current liquidity positions and capital structures, the additional capital required to implement the strategic plan and to meet long-term contractual obligations is expected to be available. Key financing developments since the filing of the 2014 Form 10-K include the following. Refer to "Liquidity and Capital Resources" for a more detailed discussion of financing developments.

March 2015 - Alliant Energy filed a prospectus supplement under which it may sell up to \$150 million of its common stock through an at-the-market offering program. As of June 30, 2015, Alliant Energy issued 2,186,617 shares of common stock through this program and received net cash proceeds of \$133 million. Alliant Energy currently has no plans to issue any additional common stock through the at-the-market offering program.

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June 2015 - At June 30, 2015, Alliant Energy and its subsidiaries had \$768 million of available capacity under the revolving credit facilities, \$50 million of available capacity at IPL under its sales of accounts receivable program and \$55 million of cash and cash equivalents.

June 2015 - IPL retired its \$150.0 million, 3.3% senior debentures.

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Other Matters Highlights

Other key developments since the filing of the 2014 Form 10-K that could impact 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.

March 2015 - FERC issued an order allowing ITC to implement a 50 basis point incentive adder to its return on equity for being an independent transmission company. The implementation of the adder will be retroactively applied back to April 2015 after resolution of a MISO transmission owner return on equity complaint filed in 2013 by a group of MISO industrial customer organizations. Alliant Energy and IPL are currently unable to determine any resulting changes to future electric transmission service charges pending a decision by FERC on the 2013 complaint.

STRATEGIC OVERVIEW

A strategic overview summary is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K, except as described below.

Generation Plans -

Natural Gas-Fired Generation -

WPL’s Proposed Construction of the Riverside Expansion - In April 2015, WPL filed a Certificate of Public Convenience and Necessity application with the PSCW for approval to construct an approximate 650 MW natural gas-fired combined-cycle EGU in Beloit, Wisconsin, referred to as the Riverside expansion. A decision from the PSCW on WPL’s application is currently expected by mid-2016. Intervenors in the docket may attempt to challenge the Riverside expansion by raising questions over project need or alternatives, among other issues. The Riverside expansion is also subject to the receipt of various approvals and permits necessary to construct and operate the EGU and connect such EGU to the transmission system.

Coal-Fired Generation -

Plant Retirements or Fuel Switching - IPL currently plans to fuel switch from coal to natural gas at, or retire, the following EGUs:

| EGU (In-Service Year) | Nameplate Capacity | Expected Action |
|---|--------------------|--|
| Prairie Creek Unit 4 (1967) | 149 MW | Fuel switch by December 31, 2017 |
| Burlington Generating Station (1968) | 212 MW | Fuel switch by December 31, 2021 |
| Prairie Creek Units 1 and 3 (1997 and 1958, respectively) | 64 MW | Fuel switch or retire by December 31, 2025 |

In addition, IPL’s M.L. Kapp Unit 2 fuel type was switched from coal to natural gas in June 2015.

The above plans are consistent with IPL’s requirements specified in the Consent Decree, which is discussed in Note 13(c).

Utility Business Divestitures -

IPL’s Minnesota Electric and Natural Gas Distribution Assets - Refer to Note 3 for discussion of the sales of IPL’s Minnesota electric and natural gas distribution assets, which were completed in July 2015 and April 2015, respectively.

Environmental Compliance Plans -

IPL’s Emission Controls Projects - In March 2015, the IUB approved IPL’s most recent Emissions Plan and Budget, which includes a scrubber placed in service at Lansing Unit 4 in June 2015 to reduce SO₂ emissions at the EGU. IPL’s

previous Emissions Plan and Budget also included the scrubber at Lansing Unit 4.

Ottumwa Unit 1 - IPL currently plans to install an SCR system at Ottumwa Unit 1 by December 31, 2019 to reduce NOx emissions at the EGU. The SCR is expected to support compliance obligations for current and anticipated air quality requirements, including the Cross-State Air Pollution Rule, and requirements under IPL's Consent Decree. IPL's portion of the capital expenditures, excluding AFUDC, for the SCR system is currently estimated to be between \$75 million and \$100 million and was included in Alliant Energy's and IPL's estimated capital expenditures planned for 2015 to 2018.

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RATE MATTERS

A rate matters summary is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K, except as described below.

WPL's Retail Fuel-related Rate Filings -

2016 Test Year - Refer to Note 2 for discussion of WPL's July 2015 request filed with the PSCW to increase annual rates for WPL's retail electric customers for anticipated increases in retail electric fuel-related costs in 2016.

2014 Test Year - Refer to Note 2 for discussion of amounts recorded by Alliant Energy and WPL on their balance sheets as of June 30, 2015 for fuel-related costs incurred by WPL in 2014 that were outside the approved bandwidth, as well as an order received from the PSCW in July 2015 authorizing WPL to recover such costs from its retail electric customers beginning in 2016.

ENVIRONMENTAL MATTERS

An environmental matters summary is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K, except as described below.

Air Quality -

Greenhouse Gases Emissions -

Clean Air Act Section 111(d) - In August 2015, the EPA issued final standards under Section 111(d) of the CAA, which establish guidelines for states to follow in developing plans to reduce carbon dioxide emissions from existing fossil-fueled EGUs. The final standards include an interim compliance period from 2022 through 2029 and a final compliance goal beginning in 2030. In August 2015, the EPA also issued a proposed federal plan that would be implemented in states that do not have a fully approved state plan. Given Alliant Energy, IPL and WPL are currently reviewing the final standards and proposed federal plan, and the EPA's rulemaking remains subject to legal challenges, Alliant Energy, IPL and WPL are currently unable to predict with certainty the impact of these standards, but expect that expenditures to comply with these standards could be significant.

Clean Air Act Section 111(b) - In August 2015, the EPA issued final standards under Section 111(b) of the CAA, which establish carbon dioxide emissions limits for certain new fossil-fueled EGUs. Marshalltown and WPL's proposed Riverside expansion are expected to be impacted by these standards. Marshalltown is being constructed, and WPL's proposed Riverside expansion is being designed, to achieve compliance with these standards.

IPL Consent Decree - Refer to Note 13(c) for discussion of a Consent Decree that IPL entered into with the EPA, the Sierra Club, the State of Iowa and Linn County in Iowa in July 2015 and IPL's obligations thereunder. If approved by the U.S. District Court for the Northern District of Iowa, the Consent Decree will resolve discussions regarding CAA issues associated with emissions from IPL's coal-fired generating facilities in Iowa.

Land and Solid Waste -

Coal Combustion Residuals Rule - Refer to Note 10 for discussion of the final CCR Rule, including additional AROs that were recognized by Alliant Energy, IPL and WPL in the second quarter of 2015 related to such rule.

LEGISLATIVE MATTERS

A legislative matters summary is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K.

RESULTS OF OPERATIONS

Overview - Second Quarter Results -

Alliant Energy - “Executive Summary” provides an overview of Alliant Energy’s second quarter 2015 and 2014 earnings and the various components of its business. Additional details of Alliant Energy’s earnings for the three months ended June 30, 2015 and 2014 are discussed below.

Purchased electric capacity
expense

| | | | | |
|----------------------|---------|---------|---|---|
| Electric margins (a) | \$248.9 | \$231.7 | 7 | % |
|----------------------|---------|---------|---|---|

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| WPL | Revenues and Costs (dollars in millions) | | | | MWhs Sold (MWhs in thousands) | | | |
|-------------------------------------|--|---------|--------|----|-------------------------------|-------|--------|----|
| | 2015 | 2014 | Change | | 2015 | 2014 | Change | |
| Residential | \$97.2 | \$98.7 | (2 | %) | 737 | 785 | (6 | %) |
| Commercial | 61.5 | 58.7 | 5 | % | 555 | 557 | — | % |
| Industrial | 93.3 | 83.8 | 11 | % | 1,190 | 1,164 | 2 | % |
| Retail subtotal | 252.0 | 241.2 | 4 | % | 2,482 | 2,506 | (1 | %) |
| Sales for resale: | | | | | | | | |
| Wholesale | 39.3 | 42.8 | (8 | %) | 656 | 732 | (10 | %) |
| Bulk power and other | 6.1 | 1.5 | 307 | % | 244 | 97 | 152 | % |
| Other | 3.6 | 3.8 | (5 | %) | 16 | 17 | (6 | %) |
| Total revenues/sales | 301.0 | 289.3 | 4 | % | 3,398 | 3,352 | 1 | % |
| Electric production fuel expense | 56.7 | 53.3 | 6 | % | | | | |
| Energy purchases expense | 37.6 | 37.9 | (1 | %) | | | | |
| Purchased electric capacity expense | 0.4 | — | 100 | % | | | | |
| Electric margins | \$206.3 | \$198.1 | 4 | % | | | | |

(a) Includes \$17 million and \$19 million of credits on IPL's Iowa retail electric customers' bills for the second quarters of 2015 and 2014, respectively, resulting from the electric tax benefit rider. The electric tax benefit rider results in reductions in electric revenues that are offset by reductions in income tax expense for the years ended December 31, 2015 and 2014.

Six Months Ended June 30, 2015 vs. Six Months Ended June 30, 2014 Summary - Electric margins and MWh sales for the six months ended June 30 were as follows:

| Alliant Energy | Revenues and Costs (dollars in millions) | | | | MWhs Sold (MWhs in thousands) | | | | |
|-------------------------------------|--|---------|--------|-----|-------------------------------|--------|--------|-----|---|
| | 2015 | 2014 | Change | | 2015 | 2014 | Change | | |
| Residential | \$472.5 | \$489.7 | (4 | %) | 3,632 | 3,885 | (7 | %) | |
| Commercial | 312.6 | 317.0 | (1 | %) | 3,122 | 3,177 | (2 | %) | |
| Industrial | 390.4 | 385.6 | 1 | % | 5,826 | 5,782 | 1 | % | |
| Retail subtotal | 1,175.5 | 1,192.3 | (1 | %) | 12,580 | 12,844 | (2 | %) | |
| Sales for resale: | | | | | | | | | |
| Wholesale | 98.9 | 105.0 | (6 | %) | 1,635 | 1,788 | (9 | %) | |
| Bulk power and other | 14.7 | (1.8 |) | 917 | % | 673 | 196 | 243 | % |
| Other | 22.6 | 24.2 | (7 | %) | 74 | 78 | (5 | %) | |
| Total revenues/sales | 1,311.7 | 1,319.7 | (1 | %) | 14,962 | 14,906 | — | % | |
| Electric production fuel expense | 220.6 | 229.8 | (4 | %) | | | | | |
| Energy purchases expense | 179.8 | 198.2 | (9 | %) | | | | | |
| Purchased electric capacity expense | 0.7 | 24.8 | (97 | %) | | | | | |
| Electric margins (a) | \$910.6 | \$866.9 | 5 | % | | | | | |

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| IPL | Revenues and Costs (dollars in millions) | | | MWhs Sold (MWhs in thousands) | | |
|-------------------------------------|--|---------|---------|-------------------------------|-------|--------|
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$261.1 | \$273.3 | (4 %) | 1,974 | 2,110 | (6 %) |
| Commercial | 192.4 | 197.3 | (2 %) | 1,990 | 2,012 | (1 %) |
| Industrial | 214.9 | 224.1 | (4 %) | 3,509 | 3,504 | — % |
| Retail subtotal | 668.4 | 694.7 | (4 %) | 7,473 | 7,626 | (2 %) |
| Sales for resale: | | | | | | |
| Wholesale | 15.2 | 16.4 | (7 %) | 234 | 241 | (3 %) |
| Bulk power and other | 2.9 | 1.0 | 190 % | 135 | 14 | 864 % |
| Other | 15.5 | 16.7 | (7 %) | 40 | 41 | (2 %) |
| Total revenues/sales | 702.0 | 728.8 | (4 %) | 7,882 | 7,922 | (1 %) |
| Electric production fuel expense | 90.6 | 113.6 | (20 %) | | | |
| Energy purchases expense | 109.9 | 124.5 | (12 %) | | | |
| Purchased electric capacity expense | 0.1 | 24.8 | (100 %) | | | |
| Electric margins (a) | \$501.4 | \$465.9 | 8 % | | | |
| WPL | | | | | | |
| | Revenues and Costs (dollars in millions) | | | MWhs Sold (MWhs in thousands) | | |
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$211.4 | \$216.4 | (2 %) | 1,658 | 1,775 | (7 %) |
| Commercial | 120.2 | 119.7 | — % | 1,132 | 1,165 | (3 %) |
| Industrial | 175.5 | 161.5 | 9 % | 2,317 | 2,278 | 2 % |
| Retail subtotal | 507.1 | 497.6 | 2 % | 5,107 | 5,218 | (2 %) |
| Sales for resale: | | | | | | |
| Wholesale | 83.7 | 88.6 | (6 %) | 1,401 | 1,547 | (9 %) |
| Bulk power and other | 11.8 | (2.8) | 521 % | 538 | 182 | 196 % |
| Other | 7.1 | 7.5 | (5 %) | 34 | 37 | (8 %) |
| Total revenues/sales | 609.7 | 590.9 | 3 % | 7,080 | 6,984 | 1 % |
| Electric production fuel expense | 130.0 | 116.2 | 12 % | | | |
| Energy purchases expense | 69.9 | 73.7 | (5 %) | | | |
| Purchased electric capacity expense | 0.6 | — | 100 % | | | |
| Electric margins | \$409.2 | \$401.0 | 2 % | | | |

(a) Includes \$35 million and \$42 million of credits on Iowa retail electric customers' bills for the six months ended June 30, 2015 and 2014, respectively, resulting from IPL's electric tax benefit rider. The electric tax benefit rider results in reductions in electric revenues that are offset by reductions in income tax expense for the years ended December 31, 2015 and 2014.

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Variances - Variances between periods in electric margins for the three and six months ended June 30, 2015 compared to the same periods in 2014 were as follows (in millions):

| | Three Months | | | Six Months | | |
|---|----------------|------|------|----------------|------|------|
| | Alliant Energy | IPL | WPL | Alliant Energy | IPL | WPL |
| Purchased electric capacity expense at IPL in 2014 (a) | \$— | \$— | \$— | \$25 | \$25 | \$— |
| Changes in electric fuel-related costs, net of recoveries at WPL | 3 | — | 3 | 10 | — | 10 |
| Retail electric customer billing credits at IPL (b) | 14 | 14 | — | 8 | 8 | — |
| Higher revenues at IPL due to changes in credits on Iowa retail electric customers' bills resulting from the electric tax benefit rider (c) | 2 | 2 | — | 7 | 7 | — |
| Earnings deferral for excess return on equity at WPL in 2014 | 3 | — | 3 | 3 | — | 3 |
| Estimated changes in sales caused by temperatures | (9) | (4) | (5) | (17) | (9) | (8) |
| Other (d) | 12 | 5 | 7 | 8 | 5 | 3 |
| | \$25 | \$17 | \$8 | \$44 | \$36 | \$8 |

IPL's previous DAEC PPA that expired in February 2014 included minimum payments for IPL's rights to electric (a) generating capacity. IPL's new DAEC PPA effective February 2014 does not contain minimum payments for electric generating capacity.

(b) Refer to Note 2 for further discussion of billing credits that began in May 2014 related to the approved settlement agreement for IPL's Iowa retail electric rates.

(c) Refer to Note 2 for further discussion of IPL's electric tax benefit rider.

(d) Includes increases in temperature-normalized retail sales volumes at IPL and WPL for the three-month period. For the six-month period, temperature-normalized retail sales volumes at IPL and WPL were relatively unchanged.

Temperatures - As measured by CDD in Alliant Energy's service territories, temperatures during the second quarter of 2015 were approximately 10% cooler than normal. Temperatures during the second quarter of 2014 were 20-30% warmer than normal. The cooler temperatures during the second quarter of 2015 compared to the second quarter of 2014 caused a decrease in IPL's and WPL's electric sales for the three and six months ended June 30, 2015 due to lower demand by customers for air cooling. As measured by HDD in Alliant Energy's service territories, temperatures during the first quarter of 2015 were approximately 10% colder than normal. Temperatures during the first quarter of 2014 were 20-25% colder than normal. The warmer temperatures during the first quarter of 2015 compared to the first quarter of 2014 caused a decrease in IPL's and WPL's electric and gas sales for the six months ended June 30, 2015 due to lower demand by customers for heating. HDD and CDD in Alliant Energy's service territories for the three and six months ended June 30 were as follows:

| | Three Months | | | Six Months | | |
|--------------------------|--------------|------|--------|-------------|-------|--------|
| | Actual 2015 | 2014 | Normal | Actual 2015 | 2014 | Normal |
| HDD (a): | | | | | | |
| Cedar Rapids, Iowa (IPL) | 582 | 711 | 701 | 4,272 | 4,903 | 4,118 |
| Madison, Wisconsin (WPL) | 721 | 797 | 833 | 4,555 | 5,072 | 4,339 |
| CDD (a): | | | | | | |
| Cedar Rapids, Iowa (IPL) | 200 | 263 | 219 | 200 | 263 | 221 |
| Madison, Wisconsin (WPL) | 161 | 233 | 180 | 161 | 233 | 182 |

(a) HDD and 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 HDD and CDD.

Estimated increases (decreases) to electric margins from the impacts of temperatures for the three and six months ended June 30 were as follows (in millions):

| | Three Months | | | Six Months | | |
|----------------------|--------------|------|--------|------------|------|---------|
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| IPL | (\$2) | \$2 | (\$4) | \$— | \$9 | (\$9) |
| WPL | (2) | 3 | (5) | 1 | 9 | (8) |
| Total Alliant Energy | (\$4) | \$5 | (\$9) | \$1 | \$18 | (\$17) |

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Sales Trends - Alliant Energy's retail sales volumes decreased 1% and 2% for the three and six months ended June 30, 2015 compared to the same periods in 2014, respectively. These decreases were primarily due to the impact of temperatures on residential and commercial sales due to the warmer than normal temperatures during the second quarter of 2014 and the extremely cold temperatures during the first quarter of 2014.

Alliant Energy's wholesale sales volumes decreased 10% and 9% for the three and six months ended June 30, 2015 compared to the same periods in 2014, respectively. The three- and six-month decreases were primarily due to decreased 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, and the impact of unseasonably cold temperatures during the first quarter of 2014.

Alliant Energy's 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 and dispatch of Alliant Energy's EGUs 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.

Electric Production Fuel and Energy Purchases (Fuel-related) Cost Recoveries - Fossil fuels, such as coal and natural gas, are burned to produce electricity at EGUs. The cost of fossil fuels used during each period is included in electric production fuel expense. Electricity is also purchased to meet customer demand and these costs are charged to energy purchases expense.

Due to IPL's cost 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 and IPL's electric margins. WPL's cost 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 and WPL's electric margins.

WPL's cost recovery mechanism for retail fuel-related costs supports deferrals of amounts that fall outside an approved bandwidth of plus or minus 2% of forecasted fuel-related costs determined by the PSCW each year. The difference between revenue collected and actual fuel-related costs incurred within the bandwidth increases or decreases Alliant Energy's and WPL's electric margins. WPL estimates the increase to electric margins from amounts within the bandwidth were approximately \$3 million and \$4 million for the three and six months ended June 30, 2015, respectively. WPL estimates the decrease to electric margins from amounts within the bandwidth were approximately \$0 and \$6 million for the three and six months ended June 30, 2014, respectively. Refer to Note 2 for discussion of an order received from the PSCW in July 2015 authorizing WPL to recover \$28 million, including interest, from its retail electric customers beginning in 2016 for deferred fuel-related costs incurred in 2014.

Alliant Energy's electric production fuel expense decreased \$17 million and \$9 million for the three and six months ended June 30, 2015, respectively. The decreases for the three- and six-month periods were primarily due to changes in the under-/over-collection of fuel-related costs at IPL partially offset by deferrals recorded during the three and six months ended June 30, 2014 for fuel-related costs that were outside the approved bandwidth at WPL.

Alliant Energy's energy purchases expense decreased \$13 million and \$18 million for the three and six months ended June 30, 2015, respectively, primarily due to lower prices for electricity purchased by IPL and WPL from wholesale energy markets (primarily MISO) during the three- and six-month periods.

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.

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Second Quarter 2015 vs. Second Quarter 2014 Summary - Gas margins and Dth sales for the three months ended June 30 were as follows:

| Alliant Energy | Revenues and Costs (dollars in millions) | | | Dths Sold (Dths in thousands) | | |
|----------------------|--|--------|--------|-------------------------------|--------|--------|
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$27.6 | \$41.0 | (33 %) | 3,285 | 4,060 | (19 %) |
| Commercial | 15.0 | 24.6 | (39 %) | 2,695 | 3,137 | (14 %) |
| Industrial | 2.1 | 4.4 | (52 %) | 528 | 634 | (17 %) |
| Retail subtotal | 44.7 | 70.0 | (36 %) | 6,508 | 7,831 | (17 %) |
| Transportation/other | 7.0 | 6.9 | 1 % | 15,854 | 13,583 | 17 % |
| Total revenues/sales | 51.7 | 76.9 | (33 %) | 22,362 | 21,414 | 4 % |
| Cost of gas sold | 21.9 | 45.0 | (51 %) | | | |
| Gas margins (a) | \$29.8 | \$31.9 | (7 %) | | | |
| IPL | Revenues and Costs (dollars in millions) | | | Dths Sold (Dths in thousands) | | |
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$15.5 | \$22.9 | (32 %) | 1,681 | 2,233 | (25 %) |
| Commercial | 8.2 | 13.3 | (38 %) | 1,333 | 1,607 | (17 %) |
| Industrial | 1.7 | 3.3 | (48 %) | 419 | 493 | (15 %) |
| Retail subtotal | 25.4 | 39.5 | (36 %) | 3,433 | 4,333 | (21 %) |
| Transportation/other | 4.4 | 4.2 | 5 % | 8,126 | 7,097 | 14 % |
| Total revenues/sales | 29.8 | 43.7 | (32 %) | 11,559 | 11,430 | 1 % |
| Cost of gas sold | 13.0 | 25.7 | (49 %) | | | |
| Gas margins (a) | \$16.8 | \$18.0 | (7 %) | | | |
| WPL | Revenues and Costs (dollars in millions) | | | Dths Sold (Dths in thousands) | | |
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$12.1 | \$18.1 | (33 %) | 1,604 | 1,827 | (12 %) |
| Commercial | 6.8 | 11.3 | (40 %) | 1,362 | 1,530 | (11 %) |
| Industrial | 0.4 | 1.1 | (64 %) | 109 | 141 | (23 %) |
| Retail subtotal | 19.3 | 30.5 | (37 %) | 3,075 | 3,498 | (12 %) |
| Transportation/other | 2.6 | 2.7 | (4 %) | 7,728 | 6,486 | 19 % |
| Total revenues/sales | 21.9 | 33.2 | (34 %) | 10,803 | 9,984 | 8 % |
| Cost of gas sold | 8.9 | 19.3 | (54 %) | | | |
| Gas margins | \$13.0 | \$13.9 | (6 %) | | | |

Includes \$3 million of credits on IPL's Iowa retail gas customers' bills for both the second quarters of 2015 and 2014 (a) resulting from the gas tax benefit rider. The gas tax benefit rider results in reductions in gas revenues that are offset by reductions in income tax expense for the years ended December 31, 2015 and 2014.

Six Months Ended June 30, 2015 vs. Six Months Ended June 30, 2014 - Gas margins and Dth sales for the six months ended June 30 were as follows:

| Alliant Energy | Revenues and Costs (dollars in millions) | | | Dths Sold (Dths in thousands) | | |
|----------------------|--|---------|--------|-------------------------------|--------|--------|
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$144.5 | \$185.0 | (22 %) | 18,271 | 20,895 | (13 %) |
| Commercial | 80.3 | 102.8 | (22 %) | 12,263 | 13,712 | (11 %) |
| Industrial | 8.0 | 11.6 | (31 %) | 1,551 | 1,757 | (12 %) |
| Retail subtotal | 232.8 | 299.4 | (22 %) | 32,085 | 36,364 | (12 %) |
| Transportation/other | 17.3 | 18.2 | (5 %) | 38,441 | 31,611 | 22 % |
| Total revenues/sales | 250.1 | 317.6 | (21 %) | 70,526 | 67,975 | 4 % |

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| | | | | |
|------------------|--------|---------|-----|----|
| Cost of gas sold | 152.7 | 206.9 | (26 | %) |
| Gas margins (a) | \$97.4 | \$110.7 | (12 | %) |

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| IPL | Revenues and Costs (dollars in millions) | | | Dths Sold (Dths in thousands) | | |
|----------------------|--|---------|--------|-------------------------------|--------|--------|
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$80.6 | \$104.2 | (23 %) | 10,071 | 11,751 | (14 %) |
| Commercial | 43.9 | 55.8 | (21 %) | 6,481 | 7,337 | (12 %) |
| Industrial | 5.6 | 7.9 | (29 %) | 1,120 | 1,226 | (9 %) |
| Retail subtotal | 130.1 | 167.9 | (23 %) | 17,672 | 20,314 | (13 %) |
| Transportation/other | 10.9 | 11.5 | (5 %) | 18,143 | 15,796 | 15 % |
| Total revenues/sales | 141.0 | 179.4 | (21 %) | 35,815 | 36,110 | (1 %) |
| Cost of gas sold | 84.0 | 113.8 | (26 %) | | | |
| Gas margins (a) | \$57.0 | \$65.6 | (13 %) | | | |

| WPL | Revenues and Costs (dollars in millions) | | | Dths Sold (Dths in thousands) | | |
|----------------------|--|--------|--------|-------------------------------|--------|--------|
| | 2015 | 2014 | Change | 2015 | 2014 | Change |
| Residential | \$63.9 | \$80.8 | (21 %) | 8,200 | 9,144 | (10 %) |
| Commercial | 36.4 | 47.0 | (23 %) | 5,782 | 6,375 | (9 %) |
| Industrial | 2.4 | 3.7 | (35 %) | 431 | 531 | (19 %) |
| Retail subtotal | 102.7 | 131.5 | (22 %) | 14,413 | 16,050 | (10 %) |
| Transportation/other | 6.4 | 6.7 | (4 %) | 20,298 | 15,815 | 28 % |
| Total revenues/sales | 109.1 | 138.2 | (21 %) | 34,711 | 31,865 | 9 % |
| Cost of gas sold | 68.7 | 93.1 | (26 %) | | | |
| Gas margins | \$40.4 | \$45.1 | (10 %) | | | |

Includes \$6 million of credits on IPL's Iowa retail gas customers' bills for both the six months ended June 30, 2015 (a) and 2014 resulting from the gas tax benefit rider. The gas tax benefit rider results in reductions in gas revenues that are offset by reductions in income tax expense for the years ended December 31, 2015 and 2014.

Variances - Variances between periods in gas margins for the three and six months ended June 30, 2015 compared to the same periods in 2014 were as follows (in millions):

| | Three Months | | | Six Months | | |
|--|----------------|--------|--------|----------------|--------|--------|
| | Alliant Energy | IPL | WPL | Alliant Energy | IPL | WPL |
| Estimated decrease from changes in sales caused by temperatures | \$— | \$— | \$— | (\$6) | (\$3) | (\$3) |
| Lower revenues at IPL related to changes in recovery amounts for energy efficiency costs through the energy efficiency rider (a) | — | — | — | (6) | (6) | — |
| Lower revenues at WPL due to the impact of changes in retail gas base rates effective January 2015 | — | — | — | (3) | — | (3) |
| Other | (2) | (1) | (1) | 2 | — | 1 |
| | (\$2) | (\$1) | (\$1) | (\$13) | (\$9) | (\$5) |

(a) Changes in energy efficiency revenues were mostly offset by changes in energy efficiency expense included in other operation and maintenance expenses.

Temperatures - Estimated increases (decreases) to gas margins from the impacts of temperatures for the three and six months ended June 30 were as follows (in millions):

| Three Months | Six Months |
|--------------|------------|
|--------------|------------|

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| | 2015 | 2014 | Change | 2015 | 2014 | Change |
|----------------------|--------|--------|--------|------|------|--------|
| IPL | \$— | \$— | \$— | \$1 | \$4 | (\$3) |
| WPL | (1) | (1) | — | 1 | 4 | (3) |
| Total Alliant Energy | (\$1) | (\$1) | \$— | \$2 | \$8 | (\$6) |

Refer to “Utility Electric Margins” for HDD data details. Refer to Note 2 for discussion of IPL’s gas tax benefit rider.

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Utility Other Revenues - Variances between periods in utility other revenues for the three and six months ended June 30, 2015 compared to the same periods in 2014 were as follows (in millions):

| | Three Months | | | Six Months | | |
|---|----------------|--------|-----|----------------|--------|--------|
| | Alliant Energy | IPL | WPL | Alliant Energy | IPL | WPL |
| Lower margins from IPL's sharing mechanism related to optimizing gas capacity contracts (a) | \$— | \$— | \$— | (\$4) | (\$4) | \$— |
| Other | (1) | (1) | — | (3) | — | (3) |
| | (\$1) | (\$1) | \$— | (\$7) | (\$4) | (\$3) |

Approximately 50% of all margins earned from IPL's sharing mechanism relating to optimizing gas capacity contracts flow through the purchased gas adjustment clause to reduce retail gas customer bills in Iowa. The (a) remaining margins are retained by IPL and recorded in utility other revenues. Due to the extreme cold temperatures causing natural gas price fluctuations in the first quarter of 2014, margins were higher than normal for the six months ended June 30, 2014.

Electric Transmission Service Expense - Variances between periods in electric transmission service expense for the three and six months ended June 30, 2015 compared to the same periods in 2014 were as follows (in millions):

| | Three Months | | | Six Months | | |
|---|----------------|-----|-----|----------------|------|------|
| | Alliant Energy | IPL | WPL | Alliant Energy | IPL | WPL |
| Higher electric transmission service costs billed from ITC, ATC and MISO (a) | \$4 | \$1 | \$3 | \$10 | \$4 | \$6 |
| Escrow treatment for the difference between actual electric transmission service costs and those costs used to determine rates during 2015 at WPL (b) | | — | 6 | 12 | — | 12 |
| Changes in the under-/over-collection of electric transmission service expense through the transmission cost rider at IPL (c) | 2 | 2 | — | (1) | (1) | — |
| Other | (1) | — | — | — | — | — |
| | \$11 | \$3 | \$9 | \$21 | \$3 | \$18 |

(a) Primarily due to increased electric transmission service rates.

Electric revenues established in WPL's retail electric rate case (2015/2016 Test Period) included recovery of expected increases in electric transmission service expense largely due to System Support Resource costs expected to be incurred. Due to a revision in MISO's method utilized to allocate System Support Resource costs, WPL no

(b) longer expects to incur certain System Support Resource costs. The difference between actual electric transmission service expense incurred and amounts collected from customers as electric revenues in 2015 and 2016 will be recorded as electric transmission service expense with an offsetting amount recorded to regulatory liabilities due to the escrow treatment WPL received as part of its approved retail electric rate case.

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 and extended as (c) part of the rate settlement approved in September 2014. The difference between electric transmission service expense and amounts collected from customers as electric revenues results in temporary costs (credits) recorded in electric transmission service expense until the amounts are reflected in future customer billings.

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Utility Other Operation and Maintenance Expenses - Variances between periods in utility other operation and maintenance expenses for the three and six months ended June 30, 2015 compared to the same periods in 2014 were as follows (in millions):

| | Three Months | | | Six Months | | |
|---|----------------|------|---------|----------------|------|---------|
| | Alliant Energy | IPL | WPL | Alliant Energy | IPL | WPL |
| Lower energy efficiency cost recovery amortizations at WPL (a) | (\$9) | \$— | (\$9) | (\$19) | \$— | (\$19) |
| Lower generation expense at IPL (b) | (2) | (2) | — | (4) | (4) | — |
| Lower energy efficiency expense at IPL (c) | — | — | — | (4) | (4) | — |
| Losses on sales of IPL's Minnesota distribution assets recorded in the second quarter of 2015 (d) | 12 | 12 | — | 12 | 12 | — |
| Higher employee benefits-related expense (e) | 3 | 2 | 1 | 6 | 3 | 3 |
| Other | (7) | (3) | (4) | (9) | (3) | (6) |
| | (\$3) | \$9 | (\$12) | (\$18) | \$4 | (\$22) |

(a) The July 2012 PSCW order for WPL's 2013/2014 Test Period electric and gas base rate case authorized lower energy efficiency cost recovery amortizations for 2015.

(b) Primarily resulting from the timing of maintenance projects at IPL's EGUs.

(c) Changes in energy efficiency expense were offset by changes in electric and gas energy efficiency revenues.

(d) Refer to Note 3 for discussion of IPL's sales of its Minnesota electric and natural gas distribution assets.

Primarily due to an increase in retirement plans costs and other employee benefits-related costs. The increased

(e) retirement plan costs were largely due to decreases in discount rates and a change to the life expectancy assumption in 2014.

Depreciation and Amortization Expenses - Alliant Energy's depreciation and amortization expenses increased \$5 million and \$9 million for the three- and six-month periods, respectively, primarily due to increased property additions, including various emission controls projects at IPL and WPL placed in service in 2014.

Equity Income from Unconsolidated Investments, Net - Alliant Energy's and WPL's equity income from unconsolidated investments decreased \$5 million and \$4 million for the six-month period, respectively, primarily due to reserves for rate refunds recorded during the six months ended June 30, 2015 at ATC. Refer to "Other Future Considerations" for discussion of a complaint pending with FERC regarding the level of return on equity that MISO transmission owners (including ATC) should be allowed to utilize in calculating the rates they charge their customers.

Income Taxes - Refer to Note 8 for details of effective income tax rates for continuing operations, including discussion of the impacts of tax benefit riders, the effect of rate-making on property-related differences, and production tax credits.

LIQUIDITY AND CAPITAL RESOURCES

A liquidity and capital resources matters summary is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K, except as described below.

Liquidity Position - At June 30, 2015, Alliant Energy had \$55 million of cash and cash equivalents, \$768 million (\$179 million at the parent company, \$189 million at IPL and \$400 million at WPL) of available capacity under the revolving credit facilities and \$50 million of available capacity at IPL under its sales of accounts receivable program.

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Capital Structures - Capital structures at June 30, 2015 were as follows (dollars in millions):

| | Alliant Energy (Consolidated) | | IPL | | WPL | | | | |
|---|----------------------------------|-----|-----|-----------|-----|---|-----------|-----|---|
| Common equity | \$3,620.8 | 47 | % | \$1,908.7 | 50 | % | \$1,723.9 | 52 | % |
| Preferred stock | 200.0 | 3 | % | 200.0 | 5 | % | — | — | % |
| Noncontrolling interest | 0.9 | — | % | — | — | % | 9.9 | — | % |
| Long-term debt (incl. current maturities) | 3,750.9 | 49 | % | 1,730.2 | 45 | % | 1,574.1 | 48 | % |
| Short-term debt | 120.9 | 1 | % | — | — | % | — | — | % |
| | \$7,693.5 | 100 | % | \$3,838.9 | 100 | % | \$3,307.9 | 100 | % |

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Cash Flows - Selected information from the cash flows statements was as follows (in millions):

| | Alliant Energy | | IPL | | WPL | |
|--------------------------------------|----------------|----------|----------|----------|----------|----------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Cash and cash equivalents, January 1 | \$56.9 | \$9.8 | \$5.3 | \$4.4 | \$46.7 | \$0.5 |
| Cash flows from (used for): | | | | | | |
| Operating activities | 517.3 | 448.2 | 294.5 | 206.1 | 230.2 | 235.5 |
| Investing activities | (470.3) | (369.0) | (285.2) | (196.4) | (162.0) | (151.1) |
| Financing activities | (49.1) | (72.8) | (12.6) | (8.7) | (66.1) | (78.5) |
| Net increase (decrease) | (2.1) | 6.4 | (3.3) | 1.0 | 2.1 | 5.9 |
| Cash and cash equivalents, June 30 | \$54.8 | \$16.2 | \$2.0 | \$5.4 | \$48.8 | \$6.4 |

Operating Activities -

Six Months Ended June 30, 2015 vs. Six Months Ended June 30, 2014 - Alliant Energy's cash flows from operating activities increased \$69 million primarily due to \$97 million of higher cash flows from changes in the level of IPL's accounts receivable sold during the six months ended June 30, 2015 compared to the same period in 2014, higher cash flows from lower fuel-related costs at WPL during the six months ended June 30, 2015 compared to the same period in 2014, and \$25 million of purchased electric capacity payments during the six months ended June 30, 2014 related to the previous DAEC PPA. These items were partially offset by the final receipt of \$26 million related to Alliant Energy's tax separation and indemnification agreement with Whiting Petroleum in March 2014, lower cash flows from changes in production fuel inventory levels at IPL and WPL, and decreased collections from IPL's and WPL's retail customers during the six months ended June 30, 2015 compared to the same period in 2014 caused by temperature impacts on electric and gas sales. Refer to [Note 4](#) for discussion of IPL's sales of accounts receivable program and the tax separation and indemnification agreement with Whiting Petroleum.

IPL's cash flows from operating activities increased \$88 million primarily due to \$97 million of higher cash flows from changes in the level of accounts receivable sold during the six months ended June 30, 2015 compared to the same period in 2014 and \$25 million of purchased electric capacity payments during the six months ended June 30, 2014 related to the previous DAEC PPA. These items were partially offset by lower cash flows from changes in production fuel inventory levels and decreased collections from retail customers during the six months ended June 30, 2015 compared to the same period in 2014 caused by temperature impacts on electric and gas sales.

WPL's cash flows from operating activities decreased \$5 million primarily due to decreased collections from retail customers during the six months ended June 30, 2015 compared to the same period in 2014 caused by temperature impacts on electric and gas sales, and lower cash flows from changes in production fuel inventory levels. These items were partially offset by higher cash flows from lower fuel-related costs during the six months ended June 30, 2015 compared to the same period in 2014.

Investing Activities -

Six Months Ended June 30, 2015 vs. Six Months Ended June 30, 2014 - Alliant Energy's cash flows used for investing activities increased \$101 million primarily due to \$104 million of higher utility construction expenditures. The higher utility construction expenditures were largely due to higher expenditures during the six months ended June 30, 2015 for Marshalltown.

IPL's cash flows used for investing activities increased \$89 million primarily due to \$96 million of higher construction expenditures. The higher construction expenditures were largely due to higher expenditures during the six months ended June 30, 2015 for Marshalltown.

WPL's cash flows used for investing activities increased \$11 million primarily due to \$7 million of higher construction expenditures.

Financing Activities -

Six Months Ended June 30, 2015 vs. Six Months Ended June 30, 2014 - Alliant Energy's cash flows used for financing activities decreased \$24 million primarily due to \$140 million of net proceeds from common stock issuances during the six months ended June 30, 2015 and net changes in the amount of commercial paper outstanding. These items were partially offset by payments to retire IPL's \$150 million, 3.3% senior debentures in June 2015.

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IPL's cash flows used for financing activities increased \$4 million primarily due to payments to retire its \$150 million, 3.3% senior debentures in June 2015. This item was partially offset by changes in the amount of commercial paper outstanding and higher capital contributions from its parent company during the six months ended June 30, 2015 compared to the same period in 2014.

WPL's cash flows used for financing activities decreased \$12 million primarily due to changes in the amount of commercial paper outstanding.

Common Stock Issuances and Capital Contributions - Refer to Note 6 for discussion of common stock issuances by Alliant Energy, payments of common stock dividends by IPL and WPL to their parent company, and capital contributions from Alliant Energy to IPL during the six months ended June 30, 2015. Refer to Note 9(b) for discussion of Alliant Energy's common stock issuances during the six months ended June 30, 2015 under its equity-based compensation plans for employees.

Long-term Debt - Refer to Note 7 for discussion of \$111.2 million of commercial paper outstanding at June 30, 2015 classified as long-term debt at Alliant Energy and IPL, and IPL's retirement of \$150 million, 3.3% senior debentures in June 2015.

Off-Balance Sheet Arrangements - A summary of Alliant Energy's off-balance sheet arrangements is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K, except as described below. Refer to Note 4(a) for information regarding IPL's sales of accounts receivable program. Refer to Note 13(d) for information regarding various guarantees and indemnifications related to Alliant Energy's prior divestiture activities.

Certain Financial Commitments -

Contractual Obligations - A summary of Alliant Energy's, IPL's and WPL's contractual obligations is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K, except for the items described in Notes 7(b), 13(a) and 13(b).

OTHER MATTERS

Market Risk Sensitive Instruments and Positions - A summary of market risks is included in the 2014 Form 10-K and such market risks have not changed materially from those reported in the 2014 Form 10-K, except as described below.

Commodity Price - Refer to Note 2 for discussion of amounts recorded by Alliant Energy and WPL on their balance sheets as of June 30, 2015 for fuel-related costs incurred by WPL in 2014 that were outside the approved bandwidth, as well as an order received from the PSCW in July 2015 authorizing WPL to recover such costs from its retail electric customers beginning in 2016.

New Accounting Pronouncements - Refer to Note 1(b) for discussion of new accounting pronouncements impacting Alliant Energy, IPL and WPL.

Critical Accounting Policies and Estimates - A summary of critical accounting policies and estimates is included in the 2014 Form 10-K and such policies and estimates have not changed materially from those reported in the 2014 Form 10-K.

Other Future Considerations - A summary of other future considerations is included in the 2014 Form 10-K and has not changed materially from the items reported in the 2014 Form 10-K except as described below, and as discussed

earlier in MDA, the Notes in Item 1 and “Risk Factors” in Item 1A.

Electric Transmission Service Expense -

MISO Transmission Owner Return on Equity Complaints - In 2013, a group of MISO industrial customer organizations filed a complaint with FERC requesting to reduce the base return on equity used by MISO transmission owners, including ITC and ATC, among other items. ITC's and ATC's current authorized return on equity is 12.38% and 12.2%, respectively. In 2014, FERC issued an order on the complaint, established hearing and settlement procedures on the return on equity component of the complaint, and established an effective refund date of November 12, 2013. Through June 2015, various parties to the proceeding have filed testimony with FERC identifying base return on equity ranges with stated midpoints between 8.58% and 11.39%, excluding any incentive adders granted by FERC. A final decision from FERC on this complaint is currently expected in 2016.

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In June 2015, FERC issued an order on an additional complaint filed with FERC by a group of MISO cooperative and municipal utilities requesting to reduce the base return on equity used by MISO transmission owners, including ITC and ATC, to 8.67%. FERC's June 2015 order established hearing procedures and an effective refund date of February 12, 2015. A final decision from FERC on this complaint is currently expected in 2017.

Based on other recent FERC return on equity decisions, Alliant Energy, IPL and WPL currently anticipate FERC's decision on the MISO transmission owner complaints will reduce transmission owners' current return on equity, which is expected to reduce electric transmission service expense costs billed by ITC and ATC to their customers and result in lower equity income and dividends from ATC in the future. Alliant Energy and WPL have realized \$7 million of reductions in the amount of equity income from ATC for the period from November 12, 2013 through June 30, 2015, including \$4 million of reductions recorded during the six months ended June 30, 2015. These reductions assume the final base return on equity awarded to MISO transmission owners will be toward the top end of the midpoints included in the testimony filed by the various parties to the MISO complaints. Alliant Energy and WPL currently estimate each 25 basis point reduction in ATC's authorized return on equity would reduce their annual pre-tax equity income from ATC by approximately \$1 million.

ITC Request for Equity Adder - In January 2015, ITC requested approval from FERC to implement a 100 basis point incentive adder to its base return on equity for being an independent transmission company. In March 2015, FERC issued an order granting a 50 basis point incentive adder to ITC's base return on equity for being an independent transmission company. The implementation of the adder will be retroactively applied back to April 2015 after resolution of a MISO transmission owner return on equity complaint filed in 2013 by a group of MISO industrial customer organizations. Alliant Energy and IPL are currently unable to determine any resulting changes to future electric transmission service charges pending a decision by FERC on the 2013 complaint.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures About Market Risk are reported in "Other Matters - Market Risk Sensitive Instruments and Positions" in MDA.

ITEM 4. CONTROLS AND PROCEDURES

Alliant Energy's, IPL's and WPL's management evaluated, with the participation of each of Alliant Energy's, IPL's and WPL's CEO, CFO and Disclosure Committee, the effectiveness of the design and operation of Alliant Energy's, IPL's and WPL's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of June 30, 2015 pursuant to the requirements of the Securities Exchange Act of 1934. Based on their evaluation, the CEO and the CFO concluded that Alliant Energy's, IPL's and WPL's disclosure controls and procedures were effective as of June 30, 2015.

There was no change in Alliant Energy's, IPL's and WPL's internal control over financial reporting that occurred during the quarter ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, Alliant Energy's, IPL's or WPL's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

IPL Consent Decree - Refer to Note 13(c) for discussion of a Consent Decree that IPL entered into with the EPA, the Sierra Club, the State of Iowa and Linn County in Iowa in July 2015 and IPL's obligations thereunder. If approved by

the U.S. District Court for the Northern District of Iowa, the Consent Decree will resolve discussions regarding CAA issues associated with emissions from IPL's coal-fired generating facilities in Iowa.

ITEM 1A. RISK FACTORS

A summary of risk factors is included in Item 1A in the 2014 Form 10-K and such risk factors have not changed materially from the items reported in the 2014 Form 10-K.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

A summary of Alliant Energy common stock repurchases for the quarter ended June 30, 2015 was as follows:

| Period | Total Number of Shares Purchased (a) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plan | Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan (a) |
|--------------------------|--|---------------------------------------|---|--|
| April 1 through April 30 | 2,415 | \$62.52 | — | N/A |
| May 1 through May 31 | 2,158 | 61.00 | — | N/A |
| June 1 through June 30 | 40 | 58.71 | — | N/A |
| | 4,613 | 61.77 | — | |

All shares were purchased on the open market and held in a rabbi trust under the Alliant Energy Deferred (a) Compensation Plan. There is no limit on the number of shares of Alliant Energy common stock that may be held under the Deferred Compensation Plan, which currently does not have an expiration date.

Refer to Note 6 for discussion of restrictions on each of IPL's and WPL's distributions to its parent company.

ITEM 6. EXHIBITS

Exhibits for Alliant Energy, IPL and WPL are listed in the Exhibit Index, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company have each duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on the 6th day of August 2015.

ALLIANT ENERGY CORPORATION

Registrant

By: /s/ Robert J. Durian

Robert J. Durian

INTERSTATE POWER AND LIGHT COMPANY

Registrant

Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer and Authorized Signatory)

By: /s/ Robert J. Durian

Robert J. Durian

WISCONSIN POWER AND LIGHT COMPANY

Registrant

Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer and Authorized Signatory)

By: /s/ Robert J. Durian

Robert J. Durian

Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer and Authorized Signatory)

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

EXHIBIT INDEX

The following Exhibits are filed herewith or incorporated herein by reference.

| Exhibit Number | Description |
|-------------------|--|
| 3.1 | Amended and Restated Bylaws of Alliant Energy, effective May 7, 2015 (incorporated by reference to Exhibit 3.1 to Alliant Energy's Form 8-K, filed May 13, 2015 (File No. 1-9894)) |
| 3.2 | Amended and Restated Bylaws of IPL, effective May 7, 2015 (incorporated by reference to Exhibit 3.2 to IPL's Form 8-K, filed May 13, 2015 (File No. 1-4117)) |
| 3.3 | Amended and Restated Bylaws of WPL, effective May 7, 2015 (incorporated by reference to Exhibit 3.3 to WPL's Form 8-K, filed May 13, 2015 (File No. 0-337)) |
| 10.1 | Alliant Energy Amended and Restated 2010 Omnibus Incentive Plan (incorporated by reference to Appendix A to Alliant Energy's definitive proxy statement filed on Schedule 14A on March 24, 2015 (File No. 1-9894)) |
| 10.2 | Amendment to the Alliant Energy Rabbi Trust Agreement for Deferred Compensation Plans |
| 10.3 | Second Amendment to the Alliant Energy Rabbi Trust Agreement for Deferred Compensation Plans |
| 10.4 | Form of Key Executive Employment and Severance Agreement, by and between Alliant Energy and each of J.H. Gallegos, T.L. Hanson, D.R. Kopp, J.O. Larsen and R.J. Durian (incorporated by reference to Exhibit 10.3 to Alliant Energy's Form 10-Q for the quarter ended June 30, 2008 (File No. 1-9894)) |
| 10.5 | Form of Amendment Number One to Key Executive Employment and Severance Agreement, by and between Alliant Energy and each of P.L. Kampling, J.H. Gallegos, T.L. Hanson, D.R. Kopp, J.O. Larsen and R.J. Durian (incorporated by reference to Exhibit 10.6 to Alliant Energy's Form 8-K, filed December 5, 2011 (File No. 1-9894)) |
| 12.1 | Ratio of Earnings to Fixed Charges for Alliant Energy |
| 12.2 | Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Dividend Requirements for IPL |
| 12.3 | Ratio of Earnings to Fixed Charges for WPL |
| 31.1 | Certification of the Chairman, President and CEO for Alliant Energy |
| 31.2 | Certification of the Senior Vice President and CFO for Alliant Energy |

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|----------|--|
| 31.3 | Certification of the Chairman and CEO for IPL |
| 31.4 | Certification of the Senior Vice President and CFO for IPL |
| 31.5 | Certification of the Chairman and CEO for WPL |
| 31.6 | Certification of the Senior Vice President and CFO for WPL |
| 32.1 | Written Statement of the CEO and CFO Pursuant to 18 U.S.C.§1350 for Alliant Energy |
| 32.2 | Written Statement of the CEO and CFO Pursuant to 18 U.S.C.§1350 for IPL |
| 32.3 | Written Statement of the CEO and CFO Pursuant to 18 U.S.C.§1350 for WPL |
| 101.INS* | XBRL Instance Document |
| 101.SCH* | XBRL Taxonomy Extension Schema Document |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.LAB* | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document |

* Filed as Exhibit 101 to this report are the following documents formatted in Extensible Business Reporting Language (XBRL): (i) Alliant Energy's, IPL's and WPL's Condensed Consolidated Statements of Income for the three and six months ended June 30, 2015 and 2014; (ii) Alliant Energy's, IPL's and WPL's Condensed Consolidated Balance Sheets as of June 30, 2015 and December 31, 2014; (iii) Alliant Energy's, IPL's and WPL's Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014; and (iv) the Combined Notes to Condensed Consolidated Financial Statements.