INTERSTATE POWER & LIGHT CO
Form 10-Q
October 30, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2009

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______ to _______

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

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

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes

[X] No [ ]

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

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

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

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

Number of shares outstanding of each class of common stock as of September 30, 2009:

Alliant Energy Corporation	Common stock, $0.01 par value, 110,634,276 shares outstanding
Interstate Power and Light Company	Common stock, $2.50 par value, 13,370,788 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)
Wisconsin Power and Light Company	Common stock, $5 par value, 13,236,601 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)

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FORWARD-LOOKING STATEMENTS

Statements contained in this report that are not of historical fact are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Some, but not all, of the risks and uncertainties of Alliant Energy Corporation (Alliant Energy), Interstate Power and Light Company (IPL) and Wisconsin Power and Light Company (WPL) include:

- federal and state regulatory or governmental actions, including the impact of energy-related and tax legislation and of regulatory agency orders;
- their ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of operating costs, deferred expenditures and capital expenditures, including any construction costs incurred over the predetermined level included in the advanced rate making principles for IPL's Whispering Willow - East wind project, costs related to generating units that may be permanently closed, the earning of reasonable rates of return, and the payment of expected levels of dividends;
- the state of the economy in their service territories and resulting implications on sales, margins and ability to collect unpaid bills, in particular as a result of the recession;
- weather effects on results of operations;
- developments that adversely impact their ability to implement their strategic plans including unanticipated issues in connection with construction of their new wind generating facilities, WPL's potential purchase of the Riverside Energy Center (Riverside), and unfavorable regulatory outcomes;
- IPL's ability to reduce the impact of transmission rate increases for 2009 and future years, either through regulatory proceedings with the Federal Energy Regulatory Commission (FERC) or by recovery of costs in rates;
- issues related to the availability of generating facilities and the supply and delivery of fuel and purchased electricity and price thereof, including the ability to recover and to retain the recovery of purchased power, fuel and fuel-related costs through rates in a timely manner;
-

the impact that fuel and fuel-related prices and other economic conditions may have on their customers' demand for utility services;

- impacts that storms or natural disasters in their service territories may have on their operations and rate relief for costs associated with restoration activities;
- issues associated with environmental remediation efforts and with environmental compliance generally, including changing environmental laws and regulations, the ability to defend against environmental claims brought by state and federal agencies or third parties such as the Sierra Club, and the ability to recover through rates all environmental compliance costs, including costs for projects put on hold due to uncertainty of future environmental laws and regulations;
- potential impacts of any future laws or regulations regarding global climate change or carbon emissions reductions, including the American Clean Energy and Security Act, which contains a proposed greenhouse gas (GHG) cap-and-trade program;
- the growth rate of ethanol and biodiesel production in their service territories;
- continued access to the capital markets on competitive terms and rates;
- financial impacts of risk hedging strategies, including the impact of weather hedges or the absence of weather hedges on earnings;
- sales and project execution for RMT, Inc. (RMT), the level of growth in the wind development market and the impact of the American Recovery and Reinvestment Act of 2009 (ARRA) and pending legislation;
- issues related to electric transmission, including operating in the Midwest Independent Transmission System Operator (MISO) energy and ancillary services markets, the impacts of potential future billing adjustments from MISO and recovery of costs incurred;
- unplanned outages at generating facilities and risks related to recovery of resulting incremental costs through rates;
- Alliant Energy's ability to successfully defend against, and any liabilities arising out of, the purported shareowner derivative complaint stemming from the Exchangeable Senior Notes due 2030 litigation;
- Alliant Energy's ability to successfully defend against, and any liabilities arising out of, the alleged violation of the Employee Retirement Income Security Act of 1974 by Alliant Energy's Cash Balance Pension Plan;
- IPL's ability to successfully resolve the dispute with the parties to the joint operating agreement for Sutherland #4;
- current or future litigation, regulatory investigations, proceedings or inquiries;
- Alliant Energy's ability to sustain its dividend payout ratio goal;
- the direct or indirect effects resulting from terrorist incidents or responses to such incidents;

- employee workforce factors, including changes in key executives, collective bargaining agreements, work stoppages or additional restructurings;
- access to technological developments;
- any material post-closing adjustments related to any of their past asset divestitures;
- the impact of necessary accruals for the terms of incentive compensation plans;
- the effect of accounting pronouncements issued periodically by standard-setting bodies;
- the ability to continue cost controls and operational efficiencies;
- increased retirement plan costs due to decreases in the market value of retirement plan assets;
- the ability to utilize tax capital losses and net operating losses generated to date, and those that may be generated in the future, before they expire;
- the ability to successfully complete ongoing tax audits and appeals with no material impact on earnings and cash flows;
- inflation and interest rates; and
- factors listed in Item 1A Risk Factors and "Other Matters - Other Future Considerations" in Management's Discussion and Analysis of Financial Condition and Results of Operations.

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

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended September 30, 2009	2008	For the Nine Months Ended September 30, 2009	2008
	(dollars in millions, except per share amounts)			
Operating revenues:				
Utility:				
Electric	$ 725.3	$ 714.0	$ 1,901.2	$ 1,858.4
Gas	39.1	73.5	361.8	503.1
Other	20.1	30.8	69.4	64.3
Non-regulated	101.2	162.0	245.5	373.9
	885.7	980.3	2,577.9	2,799.7
Operating expenses:				
Utility:				
Electric production fuel and purchased power	336.3	317.2	922.9	876.3
Electric transmission service	55.1	49.2	172.1	139.3

Cost of gas sold	13.9	46.9	240.5	365.8
Other operation and maintenance	130.0	151.3	437.3	442.6
Non-regulated operation and maintenance	95.7	141.5	230.7	318.8
Depreciation and amortization	69.9	57.9	201.7	181.2
Taxes other than income taxes	24.9	25.8	76.3	78.1
	725.8	789.8	2,281.5	2,402.1
Operating income	159.9	190.5	296.4	397.6
Interest expense and other:				
Interest expense	42.4	30.0	113.8	90.0
Loss on early extinguishment of debt	202.8	-	202.8	-
Equity income from unconsolidated investments, net	(9.5)	(9.6)	(27.3)	(24.3)
Allowance for funds used during construction	(13.9)	(8.4)	(34.7)	(15.8)
Interest income and other	(1.0)	(2.8)	(4.1)	(14.1)
	220.8	9.2	250.5	35.8
Income (loss) from continuing operations before income taxes	(60.9)	181.3	45.9	361.8
Income tax expense (benefit)	(22.2)	67.6	(26.5)	118.8
Income (loss) from continuing operations, net of tax	(38.7)	113.7	72.4	243.0
Income (loss) from discontinued operations, net of tax	(1.0)	(0.6)	(1.0)	8.4
Net income (loss)	(39.7)	113.1	71.4	251.4
Preferred dividend requirements of subsidiaries	4.6	4.6	14.0	14.0
Net income (loss) attributable to Alliant Energy common shareowners	$ (44.3)	$ 108.5	$ 57.4	$ 237.4
Weighted average number of common shares				

outstanding (basic) (000s)	110,288	110,182	110,257	110,166
Weighted average number of common shares outstanding (diluted) (000s)	110,288	110,313	110,340	110,313
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):				
Income (loss) from continuing operations, net of tax	$ (0.39)	$ 0.99	$ 0.53	$ 2.08
Income (loss) from discontinued operations, net of tax	(0.01)	(0.01)	(0.01)	0.07
Net income (loss) attributable to Alliant Energy common shareowners	$ (0.40)	$ 0.98	$ 0.52	$ 2.15
Amounts attributable to Alliant Energy common shareowners:				
Income (loss) from continuing operations, net of tax	$ (43.3)	$ 109.1	$ 58.4	$ 229.0
Income (loss) from discontinued operations, net of tax	(1.0)	(0.6)	(1.0)	8.4
Net income (loss) attributable to Alliant Energy common shareowners	$ (44.3)	$ 108.5	$ 57.4	$ 237.4
Dividends declared per common share	$ 0.375	$ 0.35	$ 1.125	$ 1.05

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

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ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

ASSETS	September 30, 2009	December 31, 2008
	(in millions)	
Property, plant and equipment:		
Utility:		
Electric plant in service	$ 6,560.8	$ 6,018.8
Gas plant in service	785.5	761.6
Other plant in service	518.4	481.0
Accumulated depreciation	(2,940.7)	(2,766.2)
Net plant	4,924.0	4,495.2
Construction work in progress:		
Whispering Willow - East wind project (Interstate Power and Light Company)	432.0	189.4

Bent Tree wind project (Wisconsin Power and Light Company)	124.3	-
Other	231.9	294.2
Other, less accumulated depreciation	45.0	22.4
Total utility	5,757.2	5,001.2
Non-regulated and other:		
Non-regulated Generation, less accumulated depreciation	134.5	230.1
Alliant Energy Corporate Services, Inc. and other, less accumulated depreciation	146.1	122.2
Total non-regulated and other	280.6	352.3
	6,037.8	5,353.5
Current assets:		
Cash and cash equivalents	176.7	346.9
Accounts receivable:		
Customer, less allowance for doubtful accounts	170.6	233.9
Unbilled utility revenues	131.4	186.2
Other, less allowance for doubtful accounts	74.5	138.6
Income tax refunds receivable	202.2	67.7
Production fuel, at weighted average cost	139.4	111.7
Materials and supplies, at weighted average cost	54.8	55.8
Gas stored underground, at weighted average cost	50.3	75.0
Regulatory assets	119.7	101.6
Derivative assets	23.4	18.1
Other	91.4	110.1
	1,234.4	1,445.6
Investments:		
Investment in American Transmission Company LLC	211.8	195.1
Other	63.2	60.9
	275.0	256.0
Other assets:		
Regulatory assets	1,029.5	933.1
Deferred charges and other	179.0	213.3
	1,208.5	1,146.4
Total assets	$ 8,755.7	$ 8,201.5

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

ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) (Continued)

CAPITALIZATION AND LIABILITIES	September 30, 2009	December 31, 2008
	(in millions, except per share and share amounts)	
Capitalization:		
Alliant Energy Corporation common equity:		
Common stock - $0.01 par value - authorized 240,000,000 shares; 110,634,276 and 110,449,099 shares outstanding	$ 1.1	$ 1.1
Additional paid-in capital	1,498.1	1,494.9
Retained earnings	1,269.5	1,336.2
Accumulated other comprehensive loss	(1.0)	(1.4)
Shares in deferred compensation trust - 262,428 and 238,241 shares at a weighted average cost of $30.37 and $30.79 per share	(8.0)	(7.3)
Total Alliant Energy Corporation common equity	2,759.7	2,823.5
Cumulative preferred stock of Interstate Power and Light Company	183.8	183.8
Noncontrolling interest	2.1	2.1
Total equity	2,945.6	3,009.4
Cumulative preferred stock of Wisconsin Power and Light Company	60.0	60.0
Long-term debt, net (excluding current portion)	2,155.9	1,748.3
	5,161.5	4,817.7
Current liabilities:		
Current maturities of long-term debt	101.5	136.4
Commercial paper	-	86.1
Other short-term borrowings	170.0	-
Accounts payable	328.1	425.1
Regulatory liabilities	100.1	101.9
Accrued taxes	38.9	52.5
Derivative liabilities	94.1	78.6
Other	160.1	157.6
	992.8	1,038.2
Other long-term liabilities and deferred credits:		
Deferred income taxes	1,132.1	971.2
Regulatory liabilities	707.2	637.9
Pension and other benefit obligations	469.4	513.9
Other	292.7	222.6
	2,601.4	2,345.6

Total capitalization and liabilities	$	8,755.7	$	8,201.5

The accompanying 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 Nine Months Ended September 30, 2009	2008
	(in millions)	
Cash flows from operating activities:		
Net income	$ 71.4	$ 251.4
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	201.7	181.2
Other amortizations	32.9	34.8
Deferred tax expense and investment tax credits	88.5	4.2
Loss on early extinguishment of debt	202.8	-
Equity income from unconsolidated investments, net	(27.3)	(24.3)
Distributions from equity method investments	22.4	20.9
Equity component of allowance for funds used during construction	(26.9)	(10.7)
Other	8.7	9.5
Other changes in assets and liabilities:		
Accounts receivable	139.5	(26.2)
Sale of accounts receivable	35.0	50.0
Income tax refunds receivable	(134.5)	7.8
Production fuel	(27.7)	(15.6)
Gas stored underground	24.7	(13.3)
Regulatory assets	(147.7)	(32.0)
Prepaid gas costs	18.1	(12.5)
Accounts payable	(57.2)	45.3
Regulatory liabilities	78.7	(24.6)
Accrued taxes	(13.6)	(21.9)
Derivative liabilities	15.0	25.7
Deferred income taxes	69.7	33.1
Non-current taxes payable	57.1	(15.7)
Pension and other benefit obligations	(44.5)	(2.6)
Accrued incentive compensation and other	3.7	(49.2)
Net cash flows from operating activities	590.5	415.3
Cash flows used for investing activities:		
Construction and acquisition expenditures:		

Utility business	(900.2)	(619.1)
Alliant Energy Corporate Services, Inc. and non-regulated businesses	(44.0)	(21.2)
Advances for customer energy efficiency projects	(19.8)	(17.8)
Collections of advances for customer energy efficiency projects	53.9	32.1
Insurance proceeds received for property damages	37.7	3.7
Other	(10.8)	13.6
Net cash flows used for investing activities	(883.2)	(608.7)
Cash flows from (used for) financing activities:		
Common stock dividends	(124.1)	(115.7)
Preferred dividends paid by subsidiaries	(14.0)	(14.0)
Proceeds from issuance of long-term debt	550.2	-
Payments for repurchase of Exchangeable Senior Notes due 2030	(241.2)	-
Reductions in other long-term debt	(135.8)	(3.1)
Proceeds from borrowings under Alliant Energy's term loan facility	170.0	-
Net change in other short-term borrowings	(86.1)	(43.4)
Other	3.5	3.4
Net cash flows from (used for) financing activities	122.5	(172.8)
Net decrease in cash and cash equivalents	(170.2)	(366.2)
Cash and cash equivalents at beginning of period	346.9	745.6
Cash and cash equivalents at end of period	$ 176.7	$ 379.4

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

ALLIANT ENERGY CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General - The interim condensed consolidated financial statements included herein have been prepared by Alliant Energy, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S.) (GAAP) have been condensed or omitted, although management believes that the disclosures are adequate to make the information presented not misleading. The condensed consolidated financial statements include Alliant Energy and its consolidated subsidiaries (including IPL, WPL, Alliant Energy Resources, LLC (Resources) and Alliant Energy Corporate Services, Inc. (Corporate Services)). These financial statements should be read in conjunction with the financial statements and the notes thereto included in Alliant Energy's, IPL's and WPL's latest combined Annual Report on Form 10-K.

Alliant Energy has evaluated subsequent events through the date and time the financial statements were issued on Oct. 30, 2009. In the opinion of management, all adjustments, which unless otherwise noted are normal and recurring in nature, necessary for a fair presentation of the condensed consolidated results of operations for the three and nine months ended Sep. 30, 2009 and 2008, the condensed consolidated financial position at Sep. 30, 2009 and Dec. 31, 2008, and the condensed consolidated statements of cash flows for the nine months ended Sep. 30, 2009 and 2008 have been made. Results for the three and nine months ended Sep. 30, 2009 are not necessarily indicative of results that may be expected for the year ending Dec. 31, 2009. A change in management's estimates or assumptions could have a material impact on Alliant Energy's financial condition and results of operations during the period in which such change occurred. Certain prior period amounts have been reclassified on a basis consistent with the current period financial statement presentation.

(b) Regulatory Assets and Liabilities -

Costs for Proposed Base-load, Clean Air Compliance and Wind Projects - IPL and WPL have incurred expenditures for the planning and siting of certain proposed base-load, clean air compliance and wind projects. Cumulative unrecovered costs for these projects were recorded in regulatory assets as follows (in millions):

	Alliant Energy		IPL		WPL	
	Sep. 30, 2009	Dec. 31, 2008	Sep. 30, 2009	Dec. 31, 2008	Sep. 30, 2009	Dec. 31, 2008
IPL's base-load project	$ 27.6	$ 30.2	$ 27.6	$ 30.2	$ --	$ --
WPL's base-load project	27.1	35.6	--	--	27.1	35.6
Clean air compliance projects	18.7	20.7	9.0	12.5	9.7	8.2
Wind projects	0.9	1.4	--	--	0.9	1.4
	$ 74.3	$ 87.9	$ 36.6	$ 42.7	$ 37.7	$ 45.2

IPL's Base-Load Project - In March 2009, IPL announced a decision to cancel the construction of the proposed 630 megawatt (MW) coal-fired electric generating facility in Marshalltown, Iowa referred to as Sutherland #4. In March 2009, IPL filed with the Iowa Utilities Board (IUB) a request to increase retail electric rates, which includes the recovery of the Iowa retail portion of the Sutherland #4 costs in the above table over a five-year period. IPL expects the IUB to issue its decision regarding the retail electric rate increase and the recovery of the Iowa retail portion of the Sutherland #4 capitalized expenditures in the first quarter of 2010. In March 2009, IPL filed a petition with the Minnesota Public Utilities Commission (MPUC) requesting approval of deferred accounting treatment for the Minnesota retail portion of the Sutherland #4 costs in the above table. If approved, recovery of deferred costs related to Sutherland #4 would be considered in a future regulatory proceeding in Minnesota. Refer to Note 12(g) for discussion of correspondence received by IPL from its joint partners in Sutherland #4 requesting reimbursement from IPL for the joint partners' portion of the Sutherland #4 costs.

WPL's Base-Load Project - In December 2008, the Public Service Commission of Wisconsin (PSCW) issued an order denying WPL's application to construct a 300 MW coal-fired electric generating facility in Cassville, Wisconsin referred to as Nelson Dewey #3. In December 2008, WPL received approval from the PSCW to recover $4 million from its retail customers during calendar year 2009 for a portion of the Nelson Dewey #3 costs incurred through December 2007. In May 2009, WPL filed a 2010 retail rate case with the PSCW that included a request to recover the remaining retail portion of the Nelson Dewey #3 costs of $23 million over a five-year period ending December 2014.

In April 2009, WPL executed an agreement with its wholesale customers to recover $4 million of the wholesale portion of the capitalized expenditures for the Nelson Dewey #3 project that were incurred by WPL through December 2008. WPL expects to recover the $4 million of capitalized expenditures from its wholesale customers over a 12-month period ending May 2010.

IPL and WPL assess whether their regulatory assets are probable of future recovery by considering factors such as applicable regulations, recent orders by the applicable regulatory agencies, historical treatment of similar costs by the applicable regulatory agencies and regulatory environment changes. Based on these assessments, IPL and WPL believe the regulatory assets recognized as of Sep. 30, 2009 in the above table are probable of future recovery. However, no assurance can be made that IPL and WPL will recover all of these regulatory assets in future rates. If future recovery of a regulatory asset ceases to be probable, the regulatory asset will be charged to expense in the period in which future recovery ceases to be probable.

IPL's Electric Transmission Assets Sale - In December 2007, IPL completed the sale of its electric transmission assets to ITC Midwest LLC (ITC) and recognized a gain based on the terms of the agreement. Upon closing of the sale, IPL established a regulatory liability of $84 million pursuant to conditions established by the IUB when it allowed the transaction to proceed. The regulatory liability represented the present value of IPL's obligation to refund to its customers payments of $13 million per year for eight years beginning in the year IPL's customers experience an increase in rates related to the transmission charges assessed by ITC. In June 2009, the IUB issued an order authorizing IPL to use a portion of this regulatory liability to reduce retail Iowa electric customers' rates by $12 million for the period from July 2009 through February 2010 with billing credits included in the monthly energy adjustment clause. As of Sep. 30, 2009, IPL refunded $5 million to its retail Iowa electric customers and anticipates refunding the remaining $7 million from October 2009 through February 2010. Refunds for Iowa's retail electric customers for the remaining seven years are expected to be addressed in the IUB's order for IPL's 2009 Iowa retail electric rate case expected in the first quarter of 2010.

Duane Arnold Energy Center (DAEC) Spent Nuclear Fuel Litigation Settlement - In 2004, IPL, on behalf of itself and the other DAEC co-owners, filed a claim against the U.S. Department of Energy (DOE) for recovery of damages due to the DOE's delay in accepting spent nuclear fuel produced at DAEC. In March 2009, a settlement was reached with the DOE regarding this claim, which resulted in IPL receiving $16.6 million in the second quarter of 2009. Pursuant to an arrangement between IPL and its former DAEC joint partners, IPL paid $5.0 million to its former DAEC joint partners in the second quarter of 2009 for their 30% interest of the settlement proceeds received by IPL. Alliant Energy and IPL expect the remaining proceeds will be used for the benefit of IPL's customers and therefore recognized a regulatory liability of $11.6 million on their Condensed Consolidated Balance Sheets at Sep. 30, 2009.

Pension and Other Postretirement Benefits - In accordance with a stipulation agreement approved by the PSCW related to WPL's 2009 retail rate case, WPL has authority to defer, and record carrying costs on, the retail portion of pension and benefit costs incurred during 2009 in excess of $4 million. During the nine months ended Sep. 30, 2009, WPL deferred $10 million of pension and benefits costs, which Alliant Energy and WPL recognized as regulatory assets on their Condensed Consolidated Balance Sheets at Sep. 30, 2009. Recovery of these deferred pension and benefits costs will be addressed in future WPL rate case proceedings.

Fuel Cost Recovery - Refer to Note 2 for discussion of refunds paid by WPL to its retail electric customers in 2009, which decreased regulatory liabilities on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets during the nine months ended Sep. 30, 2009.

Tax-related - Refer to Note 5 for discussion of a change in the tax methods for accounting for repairs expenditures and allocating flood insurance proceeds, which increased regulatory assets and liabilities on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets during the nine months ended Sep. 30, 2009.

Derivatives - Refer to Note 11(a) for information regarding the changes in fair value of derivatives in 2009, which increased regulatory assets and liabilities on Alliant Energy's, IPL's and WPL's Condensed Consolidated Balance Sheets during the nine months ended Sep. 30, 2009.

MISO Revenue Sufficiency Guarantee (RSG) Settlements - Refer to Note 12(f) for discussion of a $2 million regulatory asset recorded on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets at Sep. 30, 2009 for RSG-related refunds WPL made to its retail customers in the second quarter of 2009 that were not received from MISO.

(c) Cash and Cash Equivalents - At Sep. 30, 2009 and Dec. 31, 2008, the majority of Alliant Energy's cash and cash equivalents were invested in money market funds providing daily liquidity. The yield on these funds can fluctuate daily. Information on Alliant Energy's cash and cash equivalents was as follows (dollars in millions):

	Sep. 30, 2009	Dec. 31, 2008
Total cash and cash equivalents	$ 177	$ 347
Money market fund investments	$ 171	$ 339
Interest rates on money market fund investments	0.20 - 0.23 %	1.43 - 1.83 %

(d) Utility Property, Plant and Equipment -
Allowance For Funds Used During Construction (AFUDC) - The amount of AFUDC generated by equity and debt components for the three and nine months ended Sep. 30 was as follows (in millions):

	Alliant Energy		IPL		WPL	
	2009	2008	2009	2008	2009	2008
Three Months Ended Sep. 30						
Equity	$10.8	$5.8	$9.9	$3.7	$0.9	$2.1
Debt	3.1	2.6	2.7	1.5	0.4	1.1
	$13.9	$8.4	$12.6	$5.2	$1.3	$3.2
Nine Months Ended Sep. 30						