ALLIANT ENERGY CORP
Form 10-K
February 24, 2016
Table of Contents

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

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 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-K is separately filed by Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company. Information contained in the Form 10-K 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.

Securities registered pursuant to Section 12(b) of the Act:

	Title of Class	Name of Each Exchange on Which Registered
Alliant Energy Corporation	Common Stock, $0.01 Par Value	New York Stock Exchange

Alliant Energy Corporation	Common Share Purchase Rights	New York Stock Exchange
Interstate Power and Light Company	5.100% Series D Cumulative Perpetual Preferred Stock, $0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.
Yes x No ¨

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ¨ No x
Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports) and (2) have been subject to such filing requirements for the past 90 days. Yes x No ¨
Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨
Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, or smaller reporting companies. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

The aggregate market value of the voting and non-voting common equity held by nonaffiliates as of June 30, 2015:

Alliant Energy Corporation	$6.5 billion
Interstate Power and Light Company	$—
Wisconsin Power and Light Company	$—

Number of shares outstanding of each class of common stock as of January 29, 2016:

Alliant Energy Corporation	Common stock, $0.01 par value, 113,465,499 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)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement relating to Alliant Energy Corporation's 2016 Annual Meeting of Shareowners are, or will be upon filing with the Securities and Exchange Commission, incorporated by reference into Part III hereof.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

DEFINITIONS

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

Abbreviation or Acronym	Definition
2016 Alliant Energy Proxy Statement	Alliant Energy's Proxy Statement for the 2016 Annual Meeting of Shareowners
AFUDC	Allowance for funds used during construction
Alliant Energy	Alliant Energy Corporation
ANR	ANR Pipeline
AOCL	Accumulated other comprehensive loss
ARO	Asset retirement obligation
ARRs	Auction revenue rights
ARRA	American Recovery and Reinvestment Act of 2009
ATC	American Transmission Company LLC
ATI	AE Transco Investments, LLC
Audit Committee	Audit Committee of the Board of Directors
Bent Tree	Bent Tree - Phase I wind farm
CA	Certificate of authority
CAA	Clean Air Act
CAIR	Clean Air Interstate Rule
CAO	Chief Accounting Officer
Cash Balance Plan	Alliant Energy Cash Balance Pension Plan
CCR	Coal combustion residuals
CDD	Cooling degree days
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO2	Carbon dioxide
CO2e	Carbon dioxide-equivalent
Columbia	Columbia Energy Center
Corporate Services	Alliant Energy Corporate Services, Inc.
CPCN	Certificate of Public Convenience and Necessity
CRANDIC	Cedar Rapids and Iowa City Railway Company
CSAPR	Cross-State Air Pollution Rule
CWIP	Construction work in progress
DAEC	Duane Arnold Energy Center
DATC	Duke-American Transmission Company, LLC
DCP	Alliant Energy Deferred Compensation Plan
DLIP	Alliant Energy Director Long Term Incentive Plan
DNR	Department of Natural Resources
Dth	Dekatherm
Edgewater	Edgewater Generating Station
EECR	Energy efficiency cost recovery
EEP	Energy efficiency plan
EGU	Electric generating unit
Emery	Emery Generating Station
EPA	U.S. Environmental Protection Agency
EPB	Emissions plan and budget
EPS	Earnings per weighted average common share

EVP	Executive Vice President
FASB	Financial Accounting Standards Board
FCS	Firm Citygate Supplies
FERC	Federal Energy Regulatory Commission
Financial Statements	Consolidated Financial Statements
FTR	Financial transmission right
Fuel-related	Electric production fuel and energy purchases
FWS	U.S. Fish and Wildlife Service
GAAP	U.S. generally accepted accounting principles
GHG	Greenhouse gases
HAPs	Hazardous air pollutants
HDD	Heating degree days
IBEW	International Brotherhood of Electrical Workers
IPL	Interstate Power and Light Company
IRS	Internal Revenue Service
ITC	ITC Midwest LLC

Table of Contents

Abbreviation or Acronym	Definition
IUB	Iowa Utilities Board
KEESA	Key Executive Employment and Severance Agreement
Kewaunee	Kewaunee Nuclear Power Plant
KWh	Kilowatt-hour
Marshalltown	Marshalltown Generating Station
MATS	Mercury and Air Toxic Standard
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
MVP	Multi-value project
MW	Megawatt
MWh	Megawatt-hour
N.A.	National Association
N/A	Not applicable
NAAQS	National Ambient Air Quality Standards
NBPL	Northern Border Pipeline Company
Neenah	Neenah Energy Facility
Nelson Dewey	Nelson Dewey Generating Station
NGPL	Natural Gas Pipeline Co. of America
NNG	Northern Natural Gas Company
Northern Iowa Court	U.S. District Court for the Northern District of Iowa
Note(s)	Combined Notes to Consolidated Financial Statements
NOx	Nitrogen oxide
OIP	Alliant Energy 2010 Omnibus Incentive Plan
OPEB	Other postretirement benefits
PATH Act	Protecting Americans from Tax Hikes Act
PPA	Purchased power agreement
PSCW	Public Service Commission of Wisconsin
PSD	Prevention of Significant Deterioration
RECs	Renewable energy credits
Receivables Agreement	Receivables Purchase and Sale Agreement
RES	Renewable energy standards
Resources	Alliant Energy Resources, LLC
Riverside	Riverside Energy Center
RMT	RMT, Inc.
RPS	Renewable portfolio standard
SCR	Selective catalytic reduction
SEC	Securities and Exchange Commission
Sheboygan Falls	Sheboygan Falls Energy Facility
SIP	State implementation plan
SO2	Sulfur dioxide
SRP	Supplemental Retirement Plan
SSR	System Support Resource
U.S.	United States of America
VEBA	Voluntary Employees' Beneficiary Association

VIE	Variable interest entity
VP	Vice President
WACC	Weighted-average cost of capital
Western Wisconsin Court	U.S. District Court for the Western District of Wisconsin
Whiting Petroleum	Whiting Petroleum Corporation
WPL	Wisconsin Power and Light Company
WPL Transco	WPL Transco, LLC

Table of Contents

FORWARD-LOOKING STATEMENTS

Statements contained in this Annual Report on Form 10-K 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 sim 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 of regulatory agency orders;
- IPL’s and WPL’s ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of 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 2016;
- the impact of WPL’s retail electric and gas base rate freeze in Wisconsin during 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 environmental control equipment for various fossil-fueled EGUs of IPL and WPL, IPL’s construction of Marshalltown, WPL’s proposed Riverside expansion, various replacements, modernization and expansion of IPL’s and WPL’s electric and gas distribution systems, Resources’ electricity output and selling price of such output from its Franklin County wind farm, 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, employee safety, 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 natural gas, purchased electricity and coal, including due to the bankruptcy of coal mining companies;
- 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 potential 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 CO2 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;
- 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;

Table of Contents

- 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 gas distribution systems, such as leaks, explosions and mechanical problems, and compliance with gas distribution safety regulations, such as those that may be issued by the Pipeline and Hazardous Materials Safety Administration;
- risks associated with integration of a new customer billing and information system, which was completed in 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 assets, RMT and Whiting Petroleum, 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;
- 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;
- 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 standards 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 farms;
- 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;
- impacts of the extension of bonus depreciation deductions;
- the ability to successfully complete tax audits and changes in tax accounting methods with no material impact on earnings and cash flows; and
- factors listed in MDA and Item 1A Risk Factors.

Alliant Energy, IPL and WPL each assume no obligation, and disclaim any duty, to update the forward-looking statements in this Annual Report on Form 10-K, except as required by law.

WEBSITE ACCESS TO REPORTS

Alliant Energy, IPL and WPL make their periodic and current reports, and amendments to those reports, available, free of charge, on Alliant Energy's website at www.alliantenergy.com/investors on the same day as such material is electronically filed with, or furnished to, the SEC. Alliant Energy, IPL and WPL are not including the information contained on Alliant Energy's website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K.

Table of Contents

PART I

This Annual Report on Form 10-K 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. Unless otherwise noted, the information herein excludes discontinued operations for all periods presented.

ITEM 1. BUSINESS

A. GENERAL

Alliant Energy was incorporated in Wisconsin in 1981 and maintains its principal executive offices in Madison, Wisconsin. Alliant Energy operates as a regulated investor-owned public utility holding company. Alliant Energy's primary focus is to provide regulated electric and natural gas service to approximately 950,000 electric and approximately 410,000 natural gas customers in the Midwest through its two public utility subsidiaries, IPL and WPL. The primary first tier wholly-owned subsidiaries of Alliant Energy are: IPL, WPL, Resources and Corporate Services. A brief description of the primary first tier subsidiaries of Alliant Energy is as follows:

1) IPL - was incorporated in 1925 in Iowa as Iowa Railway and Light Corporation. IPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas to retail customers in select markets in Iowa. IPL provides utility services to incorporated communities as directed by the IUB and utilizes non-exclusive franchises, which cover the use of public right-of-ways for utility facilities in incorporated communities for a maximum term of 25 years. At December 31, 2015, IPL supplied electric and natural gas service to approximately 489,000 and 225,000 retail customers, respectively, in Iowa. IPL also sells electricity to wholesale customers in Minnesota, Illinois and Iowa. IPL is also engaged in the generation and distribution of steam for two customers in Cedar Rapids, Iowa. In 2015, 2014 and 2013, IPL had no single customer for which electric, gas, steam and/or other sales accounted for 10% or more of IPL's consolidated revenues.

2) WPL - was incorporated in 1917 in Wisconsin as Eastern Wisconsin Electric Company. WPL is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas to retail customers in select markets in Wisconsin. WPL operates in municipalities pursuant to permits of indefinite duration and state statutes authorizing utility operation in areas annexed by a municipality. At December 31, 2015, WPL supplied electric and natural gas service to approximately 461,000 and 184,000 retail customers, respectively. WPL also sells electricity to wholesale customers in Wisconsin. In 2015, 2014 and 2013, WPL had no single customer for which electric, gas and/or other sales accounted for 10% or more of WPL's consolidated revenues. WPL's consolidated subsidiary, WPL Transco, holds Alliant Energy's investment in ATC. Refer to Note 6(a) for further discussion of ATC.

3) RESOURCES - was incorporated in 1988 in Wisconsin. In 2008, Resources was converted to a limited liability company. Alliant Energy's non-regulated investments are organized under Resources. Refer to "Information Relating to Non-regulated Operations" for additional details.

4) CORPORATE SERVICES - was incorporated in 1997 in Iowa. Corporate Services provides administrative services to Alliant Energy, IPL, WPL and Resources.

Refer to Note 17 for further discussion of business segments, which information is incorporated herein by reference.

B. INFORMATION RELATING TO ALLIANT ENERGY ON A CONSOLIDATED BASIS

1) EMPLOYEES - At December 31, 2015, Alliant Energy's consolidated subsidiaries had the following full- and part-time employees:

	Number of Bargaining Unit Employees	Number of Other Employees	Total Number of Employees	Percentage of Employees Covered by Collective Bargaining Agreements	
IPL	1,103	584	1,687	65	%
WPL	1,117	241	1,358	82	%
Corporate Services	26	886	912	3	%
Resources	88	25	113	78	%
	2,334	1,736	4,070	57	%

Table of Contents

At December 31, 2015, Alliant Energy employees covered by collective bargaining agreements were as follows:

	Number of Employees	Contract Expiration Date
IPL:		
IBEW Local 204 (Cedar Rapids)	785	8/31/17
IBEW - Various	318	Various
	1,103	
WPL - IBEW Local 965	1,117	5/31/19
Resources and Corporate Services - Various	114	Various
	2,334	

2) CAPITAL EXPENDITURE AND INVESTMENT PLANS - Refer to "Liquidity and Capital Resources" in MDA for discussion of anticipated construction and acquisition expenditures for 2016 through 2019.

3) REGULATION - Alliant Energy, IPL and WPL are subject to regulation by various federal, state and local agencies. The following includes the primary regulations impacting Alliant Energy's, IPL's and WPL's businesses.

FERC -
Public Utility Holding Company Act of 2005 - Alliant Energy is registered with FERC as a public utility holding company, pursuant to the Public Utility Holding Company Act of 2005, and is required to maintain certain records and to report certain transactions involving its public utilities, service company and other entities regulated by FERC. Corporate Services, IPL and WPL are subject to regulation by FERC under the Public Utility Holding Company Act of 2005 for various matters including, but not limited to, affiliate transactions, public utility mergers, acquisitions and dispositions, and books, records and accounting requirements.

Energy Policy Act - The Energy Policy Act requires creation of an Electric Reliability Organization to provide oversight by FERC. FERC designated North American Electric Reliability Corporation as the overarching Electric Reliability Organization. Midwest Reliability Organization, which is a regional member of North American Electric Reliability Corporation, has direct responsibility for mandatory electric reliability standards for IPL and WPL.

Federal Power Act - FERC also has jurisdiction, under the Federal Power Act, over certain electric utility facilities and operations, electric wholesale and transmission rates, dividend payments, issuance of IPL's securities, and accounting practices of Corporate Services, IPL and WPL.

Electric Wholesale Rates - IPL and WPL have received wholesale electric market-based rate authority from FERC. Market-based rate authorization allows for wholesale sales of electricity within the MISO market and in transactions directly with third parties, based on the market value of the transactions. IPL and WPL also have FERC-approved cost-of-service based rates related to the provision of firm full- and partial-requirement wholesale electric sales. Both IPL's and WPL's wholesale cost-of-service tariffs are formula-based tariffs that allow for true-ups to actual costs, including fuel costs.

Electric Transmission Rates - FERC regulates the rates charged for electric transmission facilities used in interstate commerce. Neither IPL nor WPL own or operate electric transmission facilities; however, both IPL and WPL pay for the use of the interstate electric transmission system based upon FERC-regulated rates. IPL and WPL rely primarily on the use of the ITC and ATC transmission systems, respectively. Due to the formula rates used by ITC and ATC to charge their customers and possible future changes to these rates, there is uncertainty regarding IPL's and WPL's future electric transmission service expense. Refer to "Other Future Considerations" in MDA for further discussion of electric transmission service expense.

Natural Gas Act - FERC regulates the transportation and sale for resale of natural gas in interstate commerce under the Natural Gas Act. Under the Natural Gas Act, FERC has authority over certain natural gas facilities and operations of IPL and WPL.

IUB - IPL is subject to regulation by the IUB for various matters including, but not limited to, retail utility rates and standards of service, accounting requirements, sales of assets with values that exceed 3% of IPL’s revenues, and approval of the location and construction of EGUs.

Table of Contents

Retail Utility Base Rates - IPL files periodic requests with the IUB for retail rate changes. These filings are based on historical test periods. The historical test periods may be adjusted for certain known and measurable changes to capital investments, cost of capital and operating and maintenance expenses consistent with IUB rules and regulations. Interim retail rates can be placed in effect 10 days after the rate application filing, subject to refund, and must be based on previously established regulatory principles. The IUB must decide on requests for retail rate changes within 10 months of the date of the application for which changes are filed, or the interim rates granted become permanent.

Retail Commodity Cost Recovery Mechanisms - IPL's retail electric and natural gas tariffs contain automatic adjustment clauses for changes in prudently incurred commodity costs required to serve its retail customers. Any over- or under-collection of commodity costs are revised monthly and automatically reflected in future billings to retail customers.

Retail Electric Transmission Cost Recovery Mechanism - Electric transmission service expense is billed to IPL's retail electric customers through a transmission cost rider. This cost recovery mechanism provides for subsequent adjustments to electric rates charged to retail electric customers for changes in electric transmission service expense. Changes in the under-/over-collection of these costs are revised annually and reflected in future billings to customers. The transmission cost rider will remain in effect until the IUB's final decision in IPL's next retail electric base rate case, at which time the rider will continue in its current form, continue in a modified form or be terminated.

Energy Efficiency Cost Recovery Mechanism - In accordance with Iowa law, IPL is required to file an EEP every five years with the IUB. An EEP provides a utility's plan and related budget to achieve specified levels of energy savings. IUB approval demonstrates that IPL's EEP is reasonably expected to achieve cost-effective delivery of the energy efficiency programs. To the extent approved by the IUB, costs associated with executing the EEP are recovered from ratepayers through an additional tariff called an EECR factor. The EECR factors are revised annually and include a reconciliation to eliminate any over- or under-recovery of energy efficiency expense from prior periods.

Electric Generating Units - IPL must obtain a certificate of public convenience, use and necessity (GCU Certificate) from the IUB in order to construct a new, or significantly alter an existing, EGU located in Iowa with 25 MW or more of capacity. IPL's ownership and operation of EGUs (including those located outside the state of Iowa) to serve Iowa customers is subject to retail utility rate regulation by the IUB.

Gas Pipeline Projects - IPL must obtain a pipeline permit from the IUB related to the siting of utility gas pipelines in Iowa that will be operated at a pressure over 150 pounds per square inch and will transport gas from a gathering or storage facility to a distribution system or single, large volume customer.

Advance Rate-making Principles - Iowa law provides Iowa utilities with rate-making principles prior to making certain generation investments in Iowa. As a result, IPL may file for, and the IUB must render a decision on, rate-making principles for EGUs located in Iowa, including new base-load (nuclear or coal-fired generation) EGUs with a nameplate generating capacity of 300 MW or more, combined-cycle natural gas-fired EGUs and renewable generating resources, such as wind facilities. Upon approval of rate-making principles by the IUB, IPL must either build the EGU under the approved rate-making principles, or not at all.

Electric Generating Unit Environmental Controls Projects - IPL is required to submit an updated EPB biennially to the IUB setting out a multi-year plan and budget for managing regulated emissions from its coal-fired EGUs in a cost-effective manner. IPL must simultaneously submit this plan and budget to the Iowa DNR for a determination of whether the plan and budget meet state environmental requirements for regulated emissions. The reasonable costs associated with implementing the approved plan are expected to be included in IPL's future retail electric rates.

PSCW - Alliant Energy is subject to regulation by the PSCW for the type and amount of Alliant Energy's investments in non-utility businesses and other affiliated interest activities, among other matters. WPL is also subject to regulation by the PSCW related to its operations in Wisconsin for various matters including, but not limited to, retail utility rates and standards of service, accounting requirements, issuance and use of proceeds of securities, affiliate transactions, approval of the location and construction of EGUs and certain other additions and extensions to facilities.

Table of Contents

Retail Utility Base Rates - WPL files periodic requests with the PSCW for retail rate changes. These filings are required to be based on forward-looking test periods. There is no statutory time limit for the PSCW to decide retail base rate requests. However, the PSCW attempts to process retail base rate cases in approximately 10 months and has the ability to approve interim retail rate relief, subject to refund, if necessary. Currently, WPL is required to defer a portion of its earnings if its annual regulatory return on common equity exceeds certain levels and is allowed to request a change in retail base rates if its annual return on common equity falls below a certain level.

Retail Commodity Cost Recovery Mechanisms -
Electric - WPL's retail electric base rates include estimates of annual fuel-related costs anticipated during the forward-looking test period. During each retail electric rate proceeding, or in a separate fuel cost plan approval proceeding, the PSCW sets fuel monitoring ranges based on the forecasted fuel-related costs used to determine rates in such proceeding. If WPL's actual fuel-related costs fall outside these fuel monitoring ranges, WPL is authorized to defer the incremental over- or under-collection of fuel-related costs from retail electric customers that are outside the approved ranges. Deferrals of under-collections are reduced to the extent actual return on common equity earned by WPL during the fuel cost plan year exceeds the applicable authorized return on common equity. Subject to review and approval by the PSCW, any deferred over- or under-collection of fuel-related costs for each year are reflected in future billings to retail customers.

Natural Gas - WPL's retail natural gas tariffs contain an automatic adjustment clause for changes in prudently incurred natural gas costs required to serve its retail gas customers. Any over- or under-collection of natural gas costs are revised monthly and automatically reflected in future billings to retail customers.

Retail Electric Transmission Cost Recovery - WPL's retail electric base rates include estimates of electric transmission service expense anticipated during the forward-looking test period. A majority of WPL's electric transmission service expense is currently subject to a reconciliation of such estimated amounts to actual costs incurred with any difference deferred for inclusion in future base rate changes.

Energy Efficiency Cost Recovery - WPL contributes a certain percentage of its annual utility revenues to help fund Focus on Energy, Wisconsin's state-wide energy efficiency and renewable energy resource program. Estimated contributions to Focus on Energy, along with WPL-run energy efficiency program costs, are recovered from WPL's retail customers through changes in base rates determined during periodic rate proceedings and include a reconciliation of such estimated amounts to actual costs incurred with any difference deferred for inclusion in a future base rate proceeding.

New Electric Generating Units - A CA application is required to be filed with the PSCW for construction approval of any new EGU with a capacity of less than 100 MW and a project cost of $10 million or more. WPL must obtain a CPCN from the PSCW in order to construct a new EGU in Wisconsin with a capacity of 100 MW or more. In addition, WPL's ownership and operation of EGUs (including those located outside the state of Wisconsin) to serve Wisconsin customers is subject to retail utility rate regulation by the PSCW.

Electric Generating Unit Upgrades - A CA application is required to be filed with the PSCW for construction approval of any additions to EGUs, including environmental controls projects. The current PSCW rules require a CA application for such projects with an estimated project cost of $10 million or more.

Electric Distribution Projects - A CA application is required to be filed with the PSCW for construction approval of electric distribution projects with an estimated project cost of $10 million or more.

Gas Distribution Projects - A CA application is required to be filed with the PSCW for construction approval of gas projects with an estimated project cost of $2.5 million or more and at any time that WPL requests to extend gas service to a new portion of its service territory.

Advance Rate-making Principles - Wisconsin law provides Wisconsin utilities with the opportunity to request rate-making principles prior to the purchase or construction of any nuclear or fossil-fueled EGU or renewable generating resource, such as a wind facility, utilized to serve Wisconsin customers. WPL is not obligated to file for or accept authorized rate-making principles under Wisconsin law. WPL can proceed with an approved project under traditional rate-making terms or accept authorized rate-making principles under Wisconsin law.

Table of Contents

MPUC - IPL is subject to limited regulation by the MPUC related to its operations in Minnesota for various matters including, but not limited to, approval of the location and construction of EGUs located in Minnesota with a capacity in excess of 50 MW. Refer to Note 3 for discussion of IPL's sales of its Minnesota electric and natural gas distribution assets in 2015.

Environmental - Extensive environmental laws and regulations are applicable as a result of current and past operations. The environmental laws and regulations relate to the protection of the environment and health and safety matters, including those governing air emissions; water discharges; the management, storage and disposal of hazardous materials; and the clean-up of contaminated sites, including former MGP sites.

The EPA administers certain federal regulatory programs and has delegated the administration of other environmental regulatory programs to the applicable state environmental agencies. In general, the state agencies have jurisdiction over air and water quality, hazardous substances management, transportation and clean-up, and solid waste management requirements. In certain cases, the state environmental agencies have delegated the administration of environmental programs to local agencies.

Federal, state and local permits are regularly obtained to assure compliance with environmental laws and regulations. Costs associated with such compliance have increased in recent years and are expected to continue to increase in the future. Prudently incurred compliance and remediation costs for IPL and WPL are anticipated to be recoverable, in whole or part, through future rate case proceedings. Refer to "Environmental Matters" in MDA and Note 16(e) for further discussion of electric and gas environmental matters, including current or proposed environmental regulations. Refer to "Strategic Overview" in MDA for details of future environmental compliance plans to adhere to applicable environmental requirements.

Refer to Notes 1(b), 1(g), 2 and 16(e) and "Rate Matters" and "Environmental Matters" in MDA for additional information regarding regulation and utility rate matters.

4) STRATEGIC OVERVIEW - Refer to "Strategic Overview" in MDA for discussion of various strategic actions by Alliant Energy, IPL and WPL.

C. INFORMATION RELATING TO UTILITY OPERATIONS

Alliant Energy's utility business (IPL and WPL) has three segments: a) electric operations; b) gas operations; and c) other, which includes IPL's steam operations and the unallocated portions of the utility business. IPL's and WPL's operating revenues and operating income (loss) for these three utility business segments were as follows:

	2015				2014				2013			
	IPL		WPL		IPL		WPL		IPL		WPL	
	Revenue	Income	Revenue	Income	Revenue	Income	Revenue	Income	Revenue	Income	Revenue	Income
Electric	85 %	91 %	88 %	96 %	81 %	80 %	84 %	92 %	82 %	82 %	85 %	92 %
Gas	12 %	7 %	12 %	5 %	16 %	12 %	15 %	9 %	15 %	14 %	14 %	9 %
Other	3 %	2 %	— %	(1 %)	3 %	8 %	1 %	(1 %)	3 %	4 %	1 %	(1 %)
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

1) ELECTRIC UTILITY OPERATIONS

General - Electric utility operations represent the largest operating segment for Alliant Energy, IPL and WPL. Alliant Energy's electric utility operations are located in the Midwest with IPL providing retail electric service in Iowa and WPL providing retail and wholesale electric service in Wisconsin. IPL also sells electricity to wholesale customers in Minnesota, Illinois and Iowa. In 2015, IPL completed the sale of its Minnesota electric distribution assets. Refer to Note 3 for further discussion of the sale. Refer to the "Electric Operating Information" tables for additional details

regarding electric utility operations.

Jurisdictions - The percentage of regulated electric utility revenues were as follows:

	IPL						WPL					
	2015		2014		2013		2015		2014		2013	
IUB	93	%	93	%	93	%	—	%	—	%	—	%
PSCW	—	%	—	%	—	%	87	%	86	%	85	%
MPUC	3	%	5	%	5	%	—	%	—	%	—	%
FERC	4	%	2	%	2	%	13	%	14	%	15	%
	100	%	100	%	100	%	100	%	100	%	100	%

Table of Contents

Customers - The number of electric customers at December 31, 2015 was as follows:

	Retail Customers	Wholesale Customers	Other Customers	Total Customers
IPL	488,582	8	1,042	489,632
WPL	461,466	21	1,859	463,346
	950,048	29	2,901	952,978

IPL and WPL provide electric utility service to a diversified base of retail customers in several industries, with the largest concentrations in the food manufacturing, chemical (including ethanol) and paper industries. IPL's retail customers in the above table are billed under base rates established by the IUB that include recovery of and a return on investments in electric infrastructure and other costs required to serve customers. Electric transmission service expense is billed to IPL's Iowa retail electric customers through a transmission cost rider. IPL's fuel-related costs are recovered pursuant to fuel adjustment clauses. WPL's retail customers in the above table are billed under base rates established by the PSCW that include recovery of and a return on investments in electric infrastructure and recovery of fuel-related costs, electric transmission service costs and other costs required to serve customers. Refer to Note 2 and "Rate Matters" in MDA for discussion of utility rate cases.

Wholesale customers in the above table, which primarily consist of municipalities and rural electric cooperatives, are billed under wholesale service agreements. These agreements include standardized pricing mechanisms that are detailed in tariffs approved by FERC through wholesale rate case proceedings. The tariffs include an annual true-up process for actual costs incurred. Refer to "Strategic Overview" in MDA for discussion of recent agreements with certain of WPL's electric wholesale customers related to its proposed Riverside expansion. Refer to "Other Future Considerations" in MDA for discussion of notifications provided to each of IPL and WPL to terminate certain of their wholesale power supply agreements. Refer to Note 3 for discussion of a wholesale power supply agreement between IPL and Southern Minnesota Energy Cooperative, which became effective upon the sale of IPL's Minnesota electric distribution assets in 2015.

Seasonality - Electric sales are seasonal to some extent with the annual peak normally occurring in the summer months due to air conditioning requirements. Electric sales are also impacted to a certain extent in the winter months due to heating requirements. Maximum peak hour demands were as follows:

	2015				2014			
	Summer Peak		Winter Peak		Summer Peak		Winter Peak	
	MW	Date	MW	Date	MW	Date	MW	Date
Alliant Energy	5,385	July 13	4,668	January 7	5,426	July 22	4,803	January 6
IPL	3,005	July 13	2,531	January 7	2,840	September 4	2,601	January 6
WPL	2,564	August 14	2,153	January 7	2,594	July 22	2,202	January 6

Competition - Retail electric customers in Iowa and Wisconsin currently do not have the ability to choose their electric supplier, and IPL and WPL have obligations to serve all their retail electric customers. Although electric service in Iowa and Wisconsin is regulated, IPL and WPL still face competition from self-generation by large industrial customers, customer- and third party-owned generation (e.g. solar panels), alternative energy sources, and petitions to municipalize (Iowa) as well as service territory expansions by municipal utilities through annexations (Wisconsin). In addition, IPL's and WPL's wholesale customers may choose to purchase their electric energy and capacity needs from the MISO market, independent power producers or other utilities. However, IPL and WPL attempt to retain current customers and attract new customers into their service territories in an effort to keep energy rates low for all their customers.

Renewable Energy Standards - As discussed in greater detail below, the states in which IPL and WPL operate have RES, which establish the amount of energy electric utilities or service providers must supply from renewable resources.

IPL - The Iowa RES requires IPL to purchase or own 49.8 MW of nameplate capacity from alternate energy or small hydro facilities located in its Iowa service area. IPL primarily relies upon RECs generated from the wind projects it owns and renewable energy acquired under PPAs to meet such requirements. IPL currently exceeds the RES requirement.

Table of Contents

WPL - The Wisconsin RES requires WPL to increase the portion of its total Wisconsin retail electric sales supplied by renewable energy sources above a benchmark of average retail sales from renewables in 2001, 2002 and 2003. The RES required a 6% increase above the benchmark by 2015. Based on this RES, WPL was required to supply a minimum of 9.28% of its total Wisconsin retail electric sales with renewable energy sources by 2015. WPL may reach the RES with renewable energy it generates, it acquires under PPAs or through the use of renewable resource credits. WPL met the 2015 requirements of the RES with its current renewable portfolio, which primarily consists of wind and hydro, as well as the use of excess renewable resource credits generated from previous years. A confirmation on WPL meeting the 2015 renewable requirements is expected from the PSCW in the second half of 2016.

Energy Efficiency - IPL and WPL continue to promote energy efficiency, including their customers' ability to efficiently manage their energy use. Refer to "Strategic Overview" in MDA for discussion of energy efficiency programs at IPL and WPL.

Electric Supply - Alliant Energy, IPL and WPL have met historical customer demand of electricity and expect to continue meeting future demand through a mix of electric supply including internally generated electricity, PPAs and additional purchases from wholesale energy markets. Alliant Energy's mix of electric supply has changed with WPL's purchases of Wisconsin Electric Power Company's 25% interest in Edgewater Unit 5 in 2011 and Riverside in 2012, the completion of wind projects including WPL's Bent Tree wind farm in 2011, the expiration of WPL's Kewaunee PPA in December 2013, IPL's DAEC PPA for a term from February 2014 through December 2025, WPL's 150 MW PPA for a term from January 2014 through December 2018, the switch from coal to natural gas as the fuel type at IPL's M.L. Kapp Unit 2 in June 2015 and IPL's and WPL's retirement of various EGUs. Alliant Energy expects its mix of electric supply to change further in the next several years with IPL's construction of Marshalltown, WPL's proposed construction of the Riverside expansion, WPL's retirement of Nelson Dewey Units 1 and 2 and Edgewater Unit 3 in December 2015, and the proposed retirement of additional EGUs. Generation plans are periodically updated to identify longer term electric supply resource needs. These long-term generation plans are intended to meet customer demand, reduce reliance on wholesale market purchases and mitigate the impacts of future EGU retirements while maintaining compliance with long-term electric demand planning reserve margins, environmental requirements and RES established by regulators. Alliant Energy, IPL and WPL currently expect to meet utility customer demand in the future. However, unanticipated regional or local reliability issues could still arise in the event of unexpected delays in the construction of new generating and/or transmission facilities, retirement of EGUs, EGU outages, transmission system outages or extended periods of extreme weather conditions. Refer to the "Electric Operating Information" tables for a profile of the sources of electric supply used to meet customer demand from 2011 to 2015. Refer to "Strategic Overview" in MDA for details of future generation plans.

Sources of Electric Energy - Sources of electric energy were approximately as follows:

	2015			2014			2013		
	IPL	WPL	Total	IPL	WPL	Total	IPL	WPL	Total
Internally generated coal-fired EGUs	38 %	46 %	42 %	43 %	47 %	45 %	41 %	56 %	48 %
Purchased power	46 %	28 %	37 %	47 %	33 %	40 %	49 %	29 %	40 %
Internally generated natural gas-fired EGUs	12 %	20 %	15 %	6 %	13 %	10 %	6 %	9 %	7 %
Internally generated wind farms	4 %	5 %	5 %	4 %	5 %	5 %	4 %	5 %	4 %
Other	— %	1 %	1 %	— %	2 %	— %	— %	1 %	1 %
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Electric Demand Planning Reserve Margin - IPL and WPL are required to maintain a planning reserve margin above their load at the time of the MISO-wide peak to ensure reliability of electric service to their customers. The required installed capacity reserve margin is 15.2% and the required unforced capacity reserve margin is 7.6% for the June 1,

2016 through May 31, 2017 MISO planning year. IPL and WPL currently have adequate capacity to meet the MISO planning reserve margin requirements for the June 1, 2016 through May 31, 2017 MISO planning year.

Generation - IPL and WPL own a portfolio of EGUs located in Iowa, Wisconsin and Minnesota with a diversified fuel mix including coal, natural gas and renewable resources. Refer to "Properties" in Item 2 for details of IPL's and WPL's EGUs.

Table of Contents

Nameplate Capacity - At December 31, the nameplate capacity of IPL's and WPL's EGUs by primary fuel type was as follows:

	2015								2014							
	IPL		WPL		Total				IPL		WPL		Total			
	MWs	%	MWs	%	MWs	%			MWs	%	MWs	%	MWs	%		
Natural gas	1,249	39 %	1,448	50 %	2,697	44 %			1,031	32 %	1,448	45 %	2,479	39 %		
Coal	1,423	44 %	1,167	40 %	2,590	42 %			1,641	51 %	1,463	46 %	3,104	48 %		
Oil	343	11 %	—	— %	343	6 %			347	11 %	—	— %	347	5 %		
Wind	200	6 %	269	9 %	469	8 %			200	6 %	269	8 %	469	7 %		
Hydro	—	— %	41	1 %	41	— %			—	— %	41	1 %	41	1 %		
Total	3,215	100 %	2,925	100 %	6,140	100 %			3,219	100 %	3,221	100 %	6,440	100 %		

Fuel Costs - The average cost of delivered fuel per million British Thermal Units used for electric generation was as follows:

	IPL			WPL		
	2015	2014	2013	2015	2014	2013
All fuels	$2.21	$2.50	$2.36	$2.67	$2.82	$2.52
Coal	1.94	2.05	1.99	2.49	2.22	2.21
Natural gas (a)	3.37	6.05	4.63	3.68	5.51	4.86

(a) The average cost of natural gas includes commodity and transportation costs as well as realized gains and losses from swap and option contracts used to hedge the price of natural gas volumes expected to be used by IPL's and WPL's natural gas-fired EGUs.

Coal - Coal is a primary fuel source for internally generated electric supply. Alliant Energy, through Corporate Services as agent for IPL and WPL, has entered into contracts with different suppliers to help ensure that a specified supply of coal is available at known prices for IPL's and WPL's coal-fired EGUs for 2016 through 2018. As of December 31, 2015, existing contracts provide for a portfolio of coal supplies that cover approximately 79%, 55% and 33% of IPL's and WPL's estimated aggregate annual coal supply needs for 2016 through 2018, respectively. Alliant Energy, IPL and WPL believe this portfolio of coal supplies represents a reasonable balance between the risks of insufficient supplies and those associated with being unable to respond to future coal market changes. Remaining coal requirements are expected to be met from either future term contracts or purchases in the spot market. Alliant Energy, through its subsidiaries Corporate Services, IPL and WPL, also enters into various coal transportation agreements to meet IPL's and WPL's coal supply requirements. As of December 31, 2015, existing coal transportation agreements cover IPL's and WPL's estimated coal transportation needs for 2016 and 2017. In 2015 and 2016, two of Alliant Energy's coal suppliers filed for restructuring under Chapter 11 of the U.S. Bankruptcy Code. There has been no significant impact to Alliant Energy, IPL and WPL as a result of these bankruptcy filings.

Nearly all of the coal utilized by IPL and WPL is from the Wyoming Powder River Basin. A majority of this coal is transported by rail-car directly from Wyoming to IPL's and WPL's EGUs, with the remainder transported from Wyoming to the Mississippi River by rail-car and then via barges to the final destination. As protection against interruptions in coal deliveries, IPL and WPL strive to maintain average coal inventory supply targets of 25 to 55 days for EGUs with year-round deliveries and 30 to 125 days (depending upon the time of year) for EGUs with seasonal deliveries. As of December 31, 2015, actual inventory days ranged from 29 to 92 days for EGUs with year-round deliveries and were 161 days for an EGU with seasonal deliveries. The EGU days on hand were computed based on actual tons of inventory divided by estimated average daily tons burned. Coal inventory levels have been impacted by lower natural gas prices, which makes natural gas-fired generation more economical compared to other fuel sources, such as coal. Coal inventory levels have also been impacted by lower electric demand due to milder temperatures in

the fourth quarter of 2015.

Average delivered coal costs moderately declined during the last half of 2015 due to downward rail rate adjustments, lower rail fuel surcharges to historic low levels and lower spot market coal prices. However, average delivered coal costs are expected to slightly increase in the future due to price structures and adjustment provisions in existing coal contracts, in conjunction with expected rising market prices; rate structures and adjustment provisions in existing transportation contracts; and expected future coal and transportation market trends. Existing coal commodity contracts with terms of greater than one year have fixed future year prices that generally reflect recent market trends. Rate adjustment provisions in current rail transportation contracts are based on changes in the All Inclusive Index Less Fuel as published by the Association of American Railroads. These transportation contracts also contain fuel surcharges that are subject to change monthly based on changes in diesel fuel prices, which are currently at low levels. Other factors that may impact coal prices for future

Table of Contents

commitments are increasing costs for supplier mineral rights, increasing costs to mine the coal, and changes in various associated laws and regulations. For example, emission restrictions related to SO2, NOx and mercury, along with other environmental limitations on EGUs, continue to increase and will likely limit the ability to obtain, and further increase the cost of, adequate coal supplies. Factors that may impact future transportation rates include, but are not limited to: the possible need for railroads to enhance and expand infrastructure, corresponding investments in locomotives and crews, and the desire to improve margins on coal movements commensurate with margins on non-coal movements.

Alliant Energy, IPL and WPL believe they are reasonably insulated against coal price volatility given their current coal procurement process, the specific coal market in their primary purchase region and regulatory cost-recovery mechanisms. The coal procurement process stresses periodic purchases, staggering of contract terms, stair-stepped levels of supply going forward for multiple years and supplier diversity. Similarly, given the term lengths of their transportation agreements and strategic alignment of agreement expirations for negotiation purposes, Alliant Energy, IPL and WPL believe they are reasonably insulated against future higher coal transportation rates from the major railroads.

Natural Gas - Alliant Energy owns several larger natural gas-fired EGUs, including IPL's Emery (603 MW), WPL's Riverside (675 MW), WPL's Neenah (371 MW) and Resources' Sheboygan Falls (347 MW) facilities. WPL has exclusive rights to the output of Sheboygan Falls under an affiliated lease agreement. IPL and WPL also currently own several smaller natural gas-fired EGUs, including IPL's M.L. Kapp Unit 2 (218 MW) for which the fuel type was switched from coal to natural gas in June 2015. These facilities help meet customer demand for electricity generally during peak hour demands and when natural gas prices are low enough to make natural gas-fired generation economical compared to other fuel sources, such as occurred in 2015. Alliant Energy manages the gas supply to these gas-fired EGUs and provides supply through a combination of third-party deliveries and pipeline transportation and storage contracts held by IPL and WPL. IPL and WPL have contracts to provide storage capacity, as well as firm pipeline transportation per day, as follows (in Dths):

	Storage Capacity	Firm Pipeline Transportation
Riverside	2,500,000	80,000
Emery	1,250,000	60,000

In addition, IPL and WPL have each purchased 5,000 Dths per day of fixed price physical natural gas commodities for Emery and Riverside, respectively, for a five-year term from 2016 through 2020. These purchases represent less than 10% of the expected gas needs of these EGUs.

Refer to "Strategic Overview" in MDA for discussion of IPL's construction of Marshalltown and WPL's proposed construction of the Riverside expansion, both of which are natural gas-fired combined-cycle EGUs.

Wind - IPL's 200 MW Whispering Willow - East wind farm in Franklin County, Iowa began generating electricity in 2009. WPL's 68 MW Cedar Ridge wind farm in Fond du Lac County, Wisconsin began generating electricity in 2008. WPL's 201 MW Bent Tree wind farm in Freeborn County, Minnesota began full generation of electricity in 2011. All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with RES or other regulatory requirements, or sold to third parties in the form of RECs or other environmental commodities. Refer to "Properties" in Item 2 for the generating capacity of these wind farms.

Purchased Power - IPL and WPL periodically enter into PPAs and purchase electricity from wholesale energy markets to meet a portion of their customer demand for electricity. IPL's most significant PPA is for the purchase of up to 431 MWs of capacity and the resulting energy from DAEC for a term from February 2014 through December 2025. WPL's

most significant PPA is for the purchase of 150 MWs of energy for a term from January 2014 through December 2018.

IPL's DAEC PPA - In 2013, the IUB issued an order allowing IPL to proceed with a PPA for the purchase of capacity and energy generated by DAEC located near Palo, Iowa. The IUB also authorized IPL to recover the Iowa retail portion of the cost of the DAEC PPA from Iowa retail electric customers through the energy adjustment clause. The terms of the PPA provide IPL the right to the counterparty's entire output quantities (70% of the total plant output) in exchange for payment from IPL to the counterparty based on the amount of MWhs received by IPL. Among the terms and conditions of the PPA are guarantees by the counterparty to provide minimum amounts of capacity and energy. The PPA also contains provisions for the replacement of energy from alternative sources under certain conditions as well as provisions that convey to IPL the potential environmental attributes associated with its portion of the output from DAEC.

Table of Contents

Refer to Note 1(g) for discussion of IPL's and WPL's rate recovery of fuel-related costs and Note 16(b) for details on IPL's and WPL's coal, natural gas and other purchased power commitments.

Electric Transmission - IPL and WPL do not own electric transmission assets and currently receive substantially all their electric transmission services from ITC and ATC, respectively. ITC and ATC are independent for-profit, transmission-only companies and are transmission-owning members of the MISO Regional Transmission Organization, Midwest Reliability Organization and Reliability First Corporation Regional Entities. The annual transmission service rates that ITC and ATC charge their customers are calculated each calendar year using a FERC-approved cost of service formula rate template referred to as Attachment "O." Refer to "Other Future Considerations" in MDA for additional information regarding transmission service charges from ITC and ATC. Refer to Note 1(g) for discussion of a transmission cost rider utilized by IPL for recovery of its electric transmission service expense, and discussion of WPL's electric transmission service expense, which is recovered from its retail electric customers through changes in base rates determined during periodic rate proceedings. Note 1(g) also discusses escrow accounting treatment for electric transmission service expense, which WPL received as part of its approved retail electric rate case (2015/2016 Test Period) in July 2014 from the PSCW. Refer to Note 18 for details of agreements between ATC and WPL.

ATC - WPL Transco, which is partially owned by WPL and Resources' subsidiary, ATI, has an ownership interest in ATC. WPL Transco's capital contributions to ATC are currently funded by ATI, and are included in "Other" in the construction and acquisition expenditures table in "Liquidity and Capital Resources" in MDA. Alliant Energy currently anticipates that ATI will fund capital contributions of approximately $20 million, $21 million, $3 million and $0 to ATC in 2016, 2017, 2018 and 2019, respectively, to help fund future proposed transmission projects. These future proposed transmission projects require approval from various regulatory agencies to construct. Certain of these future proposed transmission projects are currently being challenged by other utilities and other transmission-only companies who have requested to own a portion of the future transmission projects proposed by ATC. Alliant Energy and WPL are currently unable to determine the impact these challenges may have on ATC's plans to construct these proposed transmission projects and the resulting impact on ATI's future capital contributions to ATC and WPL's and ATI's equity earnings income and dividends received from ATC. In addition, refer to "Other Future Considerations" in MDA for discussion of potential changes to ATC's return on equity, which could result in Alliant Energy and WPL realizing lower equity income and dividends from ATC in the future.

In 2011, Duke Energy Corporation and ATC announced the creation of DATC, a joint venture that is expected to acquire, build, own and operate new electric transmission infrastructure in North America. DATC continues to evaluate new projects and opportunities, and participates in a competitive bidding process on projects it considers to be viable. DATC is continuing the design and development of a proposed transmission line that would deliver wind energy generated in eastern Wyoming to California and the southwestern U.S. This transmission line is currently estimated to cost approximately $2.5 billion to $3.5 billion. Alliant Energy and WPL are currently unable to determine what impacts DATC and the transmission line project noted above, if constructed, will have on their future equity income, dividends received from ATC, capital contributions to ATC, or ownership in ATC. The expenditures in the construction and acquisition expenditures table in "Liquidity and Capital Resources" in MDA do not include any capital contributions for potential DATC projects.

MISO Markets - IPL and WPL are members of MISO, a FERC-approved Regional Transmission Organization, which is responsible for monitoring and ensuring equal access to the transmission system in their service territories. IPL and WPL participate in the wholesale energy and ancillary services markets operated by MISO, which are discussed in more detail below. Corporate Services acts as agent on behalf of IPL and WPL pursuant to service agreements. As agent, Corporate Services enters into energy, capacity, ancillary services, and transmission sale and purchase transactions within the markets operated by MISO. Corporate Services assigns such sales and purchases between IPL

and WPL based on statements received from MISO. Refer to Note 18 for additional discussion of these assigned amounts.

Wholesale Energy Market - IPL and WPL participate in the wholesale energy market operated by MISO. The market dictates the process by which IPL and WPL buy and sell wholesale electricity, obtain transmission services, schedule generation and ensure resource adequacy to reliably serve load. In the market, IPL and WPL submit day-ahead and/or real-time bids and offers for energy. MISO evaluates IPL's, WPL's and other market participants' offers, bids and energy injections into, and withdrawals from, the system to economically dispatch the entire MISO system on an hourly basis. MISO settles these hourly offers and bids based on locational marginal prices, which are market-driven values based on the specific time and location of the purchase and/or sale of energy. The market is intended to send price signals to stakeholders about where generation or transmission system expansion is needed. In addition, MISO may dispatch generators that support reliability needs, but that would not have operated based on economic needs. In these cases, MISO's settlement assures that these generators are made whole financially for their variable costs.

Table of Contents

Ancillary Services Market - IPL and WPL also participate in MISO's ancillary services market. The ancillary services market integrates the procurement and use of regulation and contingency reserves with the existing wholesale energy market. Regulation reserves refer to generation available to meet the moment-to-moment changes in generation that are necessary to meet changes in electricity demand. Contingency reserves refer to additional generation or demand response resources, either on-line or that can be brought on-line within 10 minutes, to meet certain major events such as the loss of a large EGU or transmission line.

Financial Transmission Rights and Auction Revenue Rights - In areas of constrained transmission capacity, costs could be higher due to congestion and its impact on locational marginal prices. FTRs provide a hedge for congestion costs that occur in the MISO day-ahead energy market. MISO allocates ARRs to IPL and WPL each year based on historical use of the transmission system. The revenue rights associated with the allocated ARRs are used by IPL and WPL to acquire FTRs through the FTR auctions operated by MISO. MISO allocates ARRs annually based on a fiscal year from June 1 through May 31. IPL's and WPL's current FTRs acquired from ARRs extend through May 31, 2016.

Multi-value Projects - The MISO tariff identifies costs billed to IPL and WPL, including costs related to various shared transmission projects, including MVPs. MVPs include new large scale transmission projects that enable the reliable and economic delivery of energy in support of documented energy policy mandates or provide economic value across multiple pricing zones within MISO. MVP costs are socialized across the entire MISO footprint based on energy usage of each MISO participant. The MISO tariff billed to IPL and WPL also includes costs related to other shared transmission projects, including projects designed to reduce market congestion, to provide interconnection to the transmission grid for new generation, and to ensure compliance with applicable reliability standards. The costs of these projects are primarily allocated to MISO participants in a way that is commensurate with the benefit to the participants' pricing zone. The MISO transmission charges billed to IPL and WPL are expected to increase in the future due to the increased number of shared transmission projects occurring in the MISO region. Refer to "Other Future Considerations" in MDA for further discussion of MISO transmission charges billed to IPL and WPL.

Resource Adequacy - MISO conducts various studies regarding reliability of electric service to ensure its market participants have adequate resources, either owned or contracted, to meet MISO's forecasted peak load obligations plus a reserve margin. Only accredited capacity assigned to EGUs from the MISO resource adequacy process is available to meet these requirements. To connect to the transmission system, MISO requires an EGU to obtain an interconnection agreement. In order for an EGU to receive accredited capacity, it must, among other requirements, satisfy all transmission requirements identified in its interconnection agreement prior to the MISO planning year. New EGUs like Marshalltown may not initially receive accredited capacity based on the inability to satisfy all identified transmission requirements. Therefore, accredited capacity may not be granted to such EGUs until all identified transmission requirements are resolved. As members of MISO, IPL and WPL must adhere to these resource adequacy protocols in executing their generation resource plans.

Attachment Y Notices and System Support Resources - MISO requires its market participants (including IPL and WPL, among others) who own EGUs to submit an Attachment Y Notice if they plan to retire an EGU, reduce the capacity of an EGU or suspend all or a portion of the operations of an EGU for a period longer than two months. Upon receiving an Attachment Y Notice, MISO will conduct a study to determine whether all or a portion of the EGU's capacity is necessary to maintain system reliability. If the EGU's capacity is determined to be necessary to maintain system reliability, MISO designates the EGU as an SSR. When an EGU is required to continue to operate for system reliability, the market participant may enter into an SSR agreement and negotiate an annual revenue requirement with MISO. The annual revenue requirement for the SSR is subject to FERC approval and is assigned to load serving entities that benefit from the continued operations of the EGU. Alliant Energy, IPL and WPL are currently unable to estimate the amount of aggregate SSR charges that may be assigned to IPL and WPL as load serving entities. Alliant Energy, IPL and WPL are also currently unable to estimate the impacts of any potential SSR

designations on EGUs they plan to retire or modify. Refer to "Strategic Overview" in MDA for discussion of EGUs that IPL and WPL currently plan to retire or modify, such as changing from coal-fired to an alternative fuel source, in the next few years. Refer to Note 2 for additional discussion of SSR costs.

Electric Environmental Matters - Refer to Note 16(e) and "Environmental Matters" in MDA for discussion of electric environmental matters, including current or proposed environmental regulations.

Table of Contents

Electric Operating Information - Alliant Energy	2015	2014	2013	2012	2011
Operating Revenues (in millions) (a):					
Residential	$983.0	$994.5	$1,009.1	$975.9	$985.8
Commercial	667.8	658.0	649.4	611.4	612.1
Industrial	823.3	799.0	765.4	741.8	748.9
Retail subtotal	2,474.1	2,451.5	2,423.9	2,329.1	2,346.8
Sales for resale:					
Wholesale	221.0	206.6	195.4	187.6	189.8
Bulk power and other	28.5	2.9	17.7	23.8	52.2
Other	46.9	52.6	52.0	48.8	47.0
Total	$2,770.5	$2,713.6	$2,689.0	$2,589.3	$2,635.8
Electric Sales (000s MWh) (a):					
Residential	7,271	7,697	7,824	7,679	7,740
Commercial	6,374	6,449	6,432	6,352	6,253
Industrial	11,735	11,821	11,471	11,555	11,504
Retail subtotal	25,380	25,967	25,727	25,586	25,497
Sales for resale:					
Wholesale	3,614	3,586	3,564	3,317	3,372
Bulk power and other	1,228	335	763	1,303	1,757
Other	129	155	152	151	151
Total	30,351	30,043	30,206	30,357	30,777
Customers (End of Period) (a):					
Residential	809,634	850,322	847,350	844,388	842,780
Commercial	137,870	139,138	138,520	137,791	136,732
Industrial	2,544	2,871	2,881	2,842	2,895
Other	2,930	3,662	3,657	3,647	3,638
Total	952,978	995,993	992,408	988,668	986,045
Other Selected Electric Data:					
Maximum summer peak hour demand (MW)	5,385	5,426	5,820	5,886	5,734
Maximum winter peak hour demand (MW)	4,668	4,803	4,648	4,368	4,423
Cooling degree days (b):					
Cedar Rapids, Iowa (IPL) (normal - 769)	732	670	884	1,052	887
Madison, Wisconsin (WPL) (normal - 663)	665	620	709	1,070	814
Sources of electric energy (000s MWh):					
Coal	13,040	13,818	14,873	14,680	16,440
Purchased power:					
Nuclear (c)	3,741	3,133	5,544	5,483	5,483
Wind (d)	1,190	1,252	1,201	1,188	1,285
Other (d)	6,675	8,074	5,541	7,053	6,244
Gas	4,738	2,971	2,224	1,285	588
Wind (d)	1,441	1,390	1,375	1,198	1,188
Other (d)	189	212	200	183	225
Total	31,014	30,850	30,958	31,070	31,453
Revenue per KWh sold to retail customers (cents)	9.75	9.44	9.42	9.10	9.20

(a) In 2015, Alliant Energy sold its electric distribution assets in Minnesota to Southern Minnesota Energy Cooperative. At the date of the sale, Alliant Energy had approximately 42,000 electric retail customers in Minnesota. Prior to the asset sale, the electric sales to these retail customers are included in residential, commercial and industrial retail sales. Subsequent to the asset sale, the related electric sales are included in wholesale electric

sales pursuant to a wholesale power supply agreement between IPL and Southern Minnesota Energy Cooperative, which is discussed in Note 3.

(b) Cooling degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical cooling degree days. Refer to "Gas Utility Operations" below for details of heating degree days.

(c) 2013 MWhs include replacement energy provided under the Kewaunee PPA after Kewaunee was shut down in May 2013.

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

Table of Contents

Electric Operating Information - IPL	2015	2014	2013	2012	2011
Operating Revenues (in millions) (a):					
Residential	$540.3	$556.4	$574.3	$529.9	$543.2
Commercial	416.3	410.2	409.6	365.3	366.0
Industrial	453.6	458.5	442.9	408.0	415.4
Retail subtotal	1,410.2	1,425.1	1,426.8	1,303.2	1,324.6
Sales for resale:					
Wholesale	56.4	32.2	30.0	27.8	29.6
Bulk power and other	5.1	2.1	2.0	9.5	24.6
Other	32.1	33.9	33.0	30.6	29.5
Total	$1,503.8	$1,493.3	$1,491.8	$1,371.1	$1,408.3
Electric Sales (000s MWh) (a):					
Residential	3,843	4,164	4,272	4,141	4,223
Commercial	4,059	4,099	4,118	4,045	3,953
Industrial	6,922	7,132	6,973	7,116	7,080
Retail subtotal	14,824	15,395	15,363	15,302	15,256
Sales for resale:					
Wholesale	845	485	419	418	417
Bulk power and other	178	59	98	377	729
Other	67	81	80	81	84
Total	15,914	16,020	15,960	16,178	16,486
Customers (End of Period) (a):					
Residential	406,028	445,483	444,905	443,802	443,358
Commercial	80,982	81,853	81,587	81,203	80,506
Industrial	1,572	1,856	1,863	1,836	1,906
Other	1,050	1,385	1,374	1,381	1,381
Total	489,632	530,577	529,729	528,222	527,151
Other Selected Electric Data:					
Maximum summer peak hour demand (MW)	3,005	2,840	3,107	3,130	3,131
Maximum winter peak hour demand (MW)	2,531	2,601	2,528	2,404	2,454
Cooling degree days (b):					
Cedar Rapids, Iowa (normal - 769)	732	670	884	1,052	887
Sources of electric energy (000s MWh):					
Coal	6,263	7,092	6,705	7,302	8,456
Purchased power:					
Nuclear	3,741	3,133	3,592	3,641	3,624
Wind (c)	757	798	768	743	661
Other (c)	3,015	3,802	3,766	3,237	3,094
Gas	1,874	1,069	920	1,081	532
Wind (c)	653	622	639	579	568
Other (c)	5	12	22	38	18
Total	16,308	16,528	16,412	16,621	16,953
Revenue per KWh sold to retail customers (cents)	9.51	9.26	9.29	8.52	8.68

(a) In 2015, IPL sold its electric distribution assets in Minnesota to Southern Minnesota Energy Cooperative. At the date of the sale, IPL had approximately 42,000 electric retail customers in Minnesota. Prior to the asset sale, the electric sales to these retail customers are included in residential, commercial and industrial retail sales. Subsequent to the asset sale, the related electric sales are included in wholesale electric sales pursuant to a wholesale power supply agreement between IPL and Southern Minnesota Energy Cooperative, which is discussed in Note 3.

(b) Cooling degree days are calculated using a simple average of the high and low temperatures each day compared to a 65 degree base. Normal degree days are calculated using a rolling 20-year average of historical cooling degree days. Refer to "Gas Utility Operations" below for details of heating degree days.

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

Table of Contents

Electric Operating Information - WPL	2015	2014	2013	2012	2011
Operating Revenues (in millions):					
Residential	$442.7	$438.1	$434.8	$446.0	$442.6
Commercial	251.5	247.8	239.8	246.1	246.1
Industrial	369.7	340.5	322.5	333.8	333.5
Retail subtotal	1,063.9	1,026.4			