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.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2009	2008	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						
Equity	$26.9	$10.7	$24.9	$5.8	$2.0	$4.9
Debt	7.8	5.1	6.9	2.6	0.9	2.5
	$34.7	$15.8	$31.8	$8.4	$2.9	$7.4

The increase in Alliant Energy's and IPL's AFUDC was primarily due to AFUDC recognized in 2009 for IPL's Whispering Willow - East wind project. The decrease in WPL's AFUDC was primarily due to AFUDC recognized in 2008 for WPL's Cedar Ridge wind project, which was placed in service in the fourth quarter of 2008.

Wind Generation Projects -
IPL's Whispering Willow Wind Project - In 2007, IPL acquired approximately 500 MW of wind site capacity in Franklin County, Iowa referred to as the Whispering Willow wind project. The initial 200 MW of the wind project, referred to as the Whispering Willow - East wind project, is currently under construction. Future development of the balance of the wind project will depend on numerous factors such as renewable portfolio standards, availability of wind turbines and transmission capabilities.

In February 2008, IPL received approval from the IUB to construct the initial 200 MW of the wind project. The advanced rate making principles for this project, as approved by the IUB in February 2008, included a predetermined level, or "cost cap," for construction costs. Final construction costs for the project are expected to exceed this cost cap. Therefore, IPL will be required to demonstrate the construction costs above the cost cap are prudent and reasonable in order to recover the additional costs in electric rates. As of Sep. 30, 2009, IPL incurred construction costs of $423 million and recognized AFUDC of $28 million related to the project. IPL recorded $432 million of capitalized project costs in "Construction work in progress - Whispering Willow - East wind project" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets at Sep. 30, 2009. The remaining $19 million of capitalized project costs were transferred from "Construction work in progress - Whispering Willow - East wind project" to "Electric plant in service" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets in the third quarter of 2009 and represent the portion of the project placed in service in the third quarter of 2009. The capitalized costs for the portion of the project placed in service are being depreciated using a straight-line method of depreciation over a 25-year period. Alliant Energy and IPL believe the construction costs incurred for Whispering Willow - East through Sep. 30, 2009 are prudent and reasonable.

As of Sep. 30, 2009, IPL's capitalized costs related to the remaining approximately 300 MW of site capacity for the Whispering Willow wind project were $17 million and were recorded in "Other property, plant and equipment" on Alliant Energy's and IPL's Condensed Consolidated Balance Sheets.

Refer to Note 16 for discussion of asset retirement obligations (AROs) recorded by IPL in 2009 related to its Whispering Willow - East wind project.

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WPL's Bent Tree Wind Project - In March 2009, WPL acquired approximately 400 MW of wind site capacity in Freeborn County, Minnesota, referred to as the Bent Tree wind project. The initial 200 MW of the wind project is expected to begin construction in the spring of 2010. Future development of the balance of the wind project will depend on numerous factors such as renewable portfolio standards, availability of wind turbines and transmission capabilities.

In the second half of 2009, WPL received approval from the MPUC and PSCW to construct the initial 200 MW of the wind project. The capitalized costs related to this 200 MW wind project were transferred from "Other property, plant and equipment" to "Construction work in progress - Bent Tree wind project" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets in the third quarter of 2009 upon receiving regulatory approval for the project. As of Sep. 30, 2009, WPL incurred construction costs of $123 million and recognized $1 million of AFUDC related to the 200 MW wind project. The $123 million includes site acquisition costs and payments to Vestas-American Wind Technology, Inc. (Vestas) for 200 MW of wind turbine generator sets and related equipment.

As of Sep. 30, 2009, WPL's capitalized costs related to the remaining approximately 200 MW of wind site capacity for the Bent Tree wind project were $14 million and were recorded in "Other property, plant and equipment" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets.

WPL's Green Lake and Fond du Lac Counties Wind Site - In March 2009, WPL purchased development rights to an approximately 100 MW wind site in Green Lake and Fond du Lac Counties in Wisconsin. As of Sep. 30, 2009, WPL's capitalized costs related to this wind project were $5 million and were recorded in "Other property, plant and equipment" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets.

WPL's Acquisition of the Neenah Energy Facility (NEF) - In June 2009, WPL acquired a 300 MW, simple-cycle, dual-fueled (natural gas/diesel) electric generating facility and related inventories (diesel fuel and materials and supplies) located in Neenah, Wisconsin from Resources for $92 million. The purchase price was allocated to property, plant and equipment ($90 million), production fuel ($1 million) and materials and supplies ($1 million) based on the net book value of the assets acquired. WPL's acquisition of NEF from Resources resulted in a $90 million decrease in "Non-regulated Generation property, plant and equipment" and a $90 million increase in "Utility property, plant and equipment" on Alliant Energy's Condensed Consolidated Balance Sheet during the nine months ended Sep. 30, 2009. NEF is being depreciated using a group method of depreciation over a 30-year period.

IPL's Steam Plant in Service - IPL's primary source of steam generating capability in downtown Cedar Rapids, the Sixth Street Generating Station, was shut down in June 2008 as a result of significant damage caused by severe flooding in downtown Cedar Rapids. Soon after the flood waters receded, IPL made necessary repairs to the underground steam distribution system and built a temporary steam generating system (natural gas-fired package boilers and water treatment systems) to resume steam service for customers in downtown Cedar Rapids. Following months of evaluations and discussions with its steam customers, IPL announced in the second quarter of 2009 its decision to discontinue providing steam service to customers in downtown Cedar Rapids in the next 12 months. As a result of this decision, in the second quarter of 2009 IPL assessed the recoverability of its steam assets in downtown Cedar Rapids by estimating the expected undiscounted future cash flows and the carrying amount of the assets. Based on this assessment and an estimate of the fair value of these assets, Alliant Energy and IPL recognized an impairment charge of $4 million in "Utility other operation and maintenance expenses" in their Condensed Consolidated Income Statements in the second quarter of 2009. In the third quarter of 2009, IPL updated its assessment of the recoverability of its steam assets in downtown Cedar Rapids and concluded no impairment charge for the third quarter of 2009. IPL's steam assets are included in "Utility business - other" for segment reporting.

(e) Supplemental Financial Information - The other (income) and deductions included in "Interest income and other" in Alliant Energy's Condensed Consolidated Statements of Income for the three and nine months ended Sep. 30 were as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
Interest income	$(1.0)	$(3.5)	$(3.8)	$(14.7)
Other	--	0.7	(0.3)	0.6
	$(1.0)	$(2.8)	$(4.1)	$(14.1)

The supplemental cash flows information for Alliant Energy's Condensed Consolidated Statements of Cash Flows for the nine months ended Sep. 30 was as follows (in millions):

	2009	2008
Cash paid (refunded) during the period for:		
Interest, net of capitalized interest	$114.7	$111.3
Income taxes, net of refunds	(76.4)	111.7
Noncash investing and financing activities:		
Capital lease obligations incurred	5.2	--

The significant decrease in cash paid for income taxes during the nine months ended Sep. 30, 2009 as compared to the nine months ended Sep. 30, 2008 was primarily due to impacts of bonus tax depreciation deductions anticipated for 2009 under the ARRA.

(f) New Accounting Pronouncements -

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2009-05, “Fair Value Measurements and Disclosures (Topic 820) - Measuring Liabilities at Fair Value”
In August 2009, the FASB issued ASU 2009-05, which clarifies that the quoted price for an identical liability, when traded as an asset in an active market, is also a Level 1 measurement for that liability when no adjustment to the quoted price is required. In the absence of a Level 1 measurement, an entity must use one or more of the following valuation techniques to estimate fair value (in a manner consistent with the principles in FASB Accounting Standards Codification (ASC) Topic 820), which can be classified into two categories: 1) a valuation technique that uses a quoted price; and 2) another valuation technique based on the amount an entity would pay to transfer the identical liability or based on the amount an entity would receive to enter into an identical liability. Alliant Energy, IPL and WPL adopted ASU 2009-05 on Oct. 1, 2009 with no material impact on their financial condition and results of operations.

FASB ASU 2009-4, “Accounting for Redeemable Equity Instruments - Amendment to Section 480-10-S99”
In August 2009, the FASB issued ASU 2009-04, which provides the SEC staff’s views regarding the application of Accounting Series Release (ASR) No. 268, “Presentation in Financial Statements of Redeemable Preferred Stocks.” ASR No. 268 requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity if they are redeemable (1) at a fixed or determinable price on a fixed or determinable date, (2) at the option of the holder, or (3) upon the occurrence of an event that is not solely within the control of the issuer. Alliant Energy, IPL and WPL adopted ASU 2009-04 in August 2009 with no material impact on their financial condition and results of operations. Refer to Note 7(b) for discussion of the presentation of IPL’s and WPL’s preferred stock on Alliant Energy’s, IPL’s and WPL’s Condensed Consolidated Balance Sheets.

Staff Accounting Bulletin (SAB) 112
In June 2009, the SEC issued SAB 112, which revised or withdrew portions of the interpretative guidance included in the SAB Series in order to make the interpretive guidance consistent with current GAAP and SEC rules and regulations. The principal revisions include deletion of material no longer necessary or that has been superseded because of the issuance of Statements of Financial Accounting Standards (SFAS) 141(R) (currently FASB ASC Topic 805) and 160 (currently FASB ASC Topic 810). Alliant Energy, IPL and WPL adopted SAB 112 in June 2009 with no material impact on their financial condition and results of operations.

SFAS 168, “The FASB Accounting Standards CodificationTM (Codification) and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162” (currently included in FASB ASC Topic 105, “Generally Accepted Accounting Principles”)
In June 2009, the FASB issued SFAS 168, which established the Codification as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. Alliant Energy, IPL and WPL adopted SFAS 168 on Sep. 30, 2009 with no material impact on their financial condition and results of operations.

SFAS 167, “Amendments to FASB Interpretation No. (FIN) 46(R)”
(future amendment to FASB ASC Topic 810, “Consolidation”)
In June 2009, the FASB issued SFAS 167, which amends FASB ASC Topic 810, and changes how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. SFAS 167 requires additional disclosures about a company’s involvement with variable interest entities and any significant changes in risk exposure due to that involvement. Alliant Energy, IPL and WPL are required to adopt SFAS 167 on Jan. 1, 2010 and are currently evaluating the implications of SFAS 167 on their

financial condition and results of operations.

SFAS 166, “Accounting for Transfers of Financial Assets - an amendment of FASB Statement No. 140”
(future amendment to FASB ASC Topic 860, “Transfers and Servicing”)
In June 2009, the FASB issued SFAS 166, which amends FASB ASC Topic 860 and requires additional disclosures about transfers of financial assets, including securitization transactions, and where companies have continuing exposure to the risks related to transferred financial assets. SFAS 166 eliminates the concept of a “qualifying special-purpose entity” and changes the requirements for derecognizing financial assets. Alliant Energy, IPL and WPL are required to adopt SFAS 166 on Jan. 1, 2010 and are currently evaluating the implications of SFAS 166 on their financial condition and results of operations. SFAS 166 may result in modifications to the accounting for transactions under IPL’s sale of accounts receivable agreement.

SFAS 165, “Subsequent Events”
(currently included in FASB ASC Topic 855, “Subsequent Events”)
In May 2009, the FASB issued SFAS 165, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. In particular, SFAS 165 sets forth: 1) the period after the balance sheet date during which management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; 2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements; and 3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. Alliant Energy, IPL and WPL adopted SFAS 165 on June 30, 2009 with no material impact on their financial condition and results of operations. Refer to Note 1(a) for disclosures required by SFAS 165 (currently included in FASB ASC Topic 855).

FSP SFAS 115-2 and SFAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments”
(currently included in FASB ASC Topic 320, “Investments - Debt and Equity Securities”)
In April 2009, the FASB issued FSP SFAS 115-2 and SFAS 124-2, which is intended to bring greater consistency to the timing of impairment recognition and provide greater clarity to investors about the credit and noncredit components of impaired debt securities that are not expected to be sold. FSP SFAS 115-2 and SFAS 124-2 also requires additional disclosures regarding expected cash flows, credit losses and an aging of securities with unrealized losses. Alliant Energy, IPL and WPL adopted FSP SFAS 115-2 and SFAS 124-2 on June 30, 2009 with no material impact on their financial condition and results of operations. Refer to Note 9(b) for disclosures required by FSP SFAS 115-2 and SFAS 124-2 (currently included in FASB ASC Topic 320).

FSP SFAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments”
(currently included in FASB ASC Topic 825, “Financial Instruments”)
In April 2009, the FASB issued FSP SFAS 107-1 and APB 28-1, which requires quarterly qualitative and quantitative disclosures about fair value estimates for financial instruments not measured on the balance sheet at fair value. Alliant Energy, IPL and WPL adopted FSP SFAS 107-1 and APB 28-1 on June 30, 2009. Because FSP SFAS 107-1 and APB 28-1 provide only disclosure requirements, the adoption of this standard did not have any impact on their financial condition and results of operations. Refer to Note 10 for disclosures required by FSP SFAS 107-1 and APB 28-1 (currently included in FASB ASC Topic 825).

FSP SFAS 132(R)-1, “Employers’ Disclosures about Postretirement Benefit Plan Assets”
(currently included in FASB ASC Topic 715, “Compensation - Retirement Benefits”)
In December 2008, the FASB issued FSP SFAS 132(R)-1, which amends FASB ASC Topic 715 to require additional disclosures about plan assets of a defined benefit pension or other postretirement plan. Disclosures include investment policies and strategies, categories of plan assets, fair value of plan assets and significant concentrations of risk. Alliant Energy, IPL and WPL are required to adopt FSP SFAS 132(R)-1 by Dec. 31, 2009. Because FSP SFAS 132(R)-1 provides only disclosure requirements, the adoption of this standard will not have any impact on their financial condition and results of operations.

EITF Issue 08-6, "Equity Method Investment Accounting Considerations"
(currently included in FASB ASC Topic 323, "Investments - Equity Method and Joint Ventures")
In November 2008, the FASB issued EITF Issue 08-6, which considered the effects of the issuances of SFAS 141(R) (currently FASB ASC Topic 805) and SFAS 160 (currently FASB ASC Topic 810) on an entity's application of the equity method under FASB ASC Topic 323. EITF Issue 08-6 addresses questions that have arisen regarding the application of equity method accounting guidance because of the significant changes to the guidance on business combinations and subsidiary equity transactions and the increased use of fair value measurements as a result of these pronouncements. Alliant Energy, IPL and WPL are required to adopt EITF Issue 08-6 beginning with transactions occurring in 2009. Because the provisions of EITF Issue 08-6 are only applied prospectively to transactions after adoption, the impact to Alliant Energy, IPL and WPL cannot be determined until any such transactions occur.

FSP SFAS 142-3, "Determination of the Useful Life of Intangible Assets"
(currently included in FASB ASC Topic 350, "Intangibles - Goodwill and Other")
In April 2008, the FASB issued FSP SFAS 142-3, which amends the factors that should be considered in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB ASC Topic 350, and requires expanded disclosures related to intangible assets. Alliant Energy, IPL and WPL adopted FSP SFAS 142-3 on Jan. 1, 2009 with no material impact on their financial condition or results of operations.

SFAS 161, "Disclosures about Derivative Instruments and Hedging Activities - an amendment of SFAS 133"
(currently included in FASB ASC Topic 815, "Derivatives and Hedging")
In March 2008, the FASB issued SFAS 161, which requires enhanced qualitative and quantitative disclosures about an entity's derivative and hedging activities. Alliant Energy, IPL and WPL adopted SFAS 161 on Jan. 1, 2009. Because SFAS 161 provides only disclosure requirements, the adoption of this standard did not have any impact on their financial condition or results of operations. Refer to Note 11(a) for disclosures required by SFAS 161 (currently included in FASB ASC Topic 815).

SFAS 141(R), "Business Combinations"
(currently included in FASB ASC Topic 805, "Business Combinations")
In December 2007, the FASB issued SFAS 141(R), which establishes principles and requirements for how the acquiring entity in a business combination: recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. In April 2009, the FASB issued FSP SFAS 141(R)-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies," which amended and clarified SFAS 141(R) and requires that an acquirer recognize at fair value an asset acquired or liability assumed in a business combination that arises from a contingency if the acquisition-date fair value of that asset or liability can be determined during the measurement period. If the acquisition-date fair value cannot be determined then the acquirer follows the recognition criteria in FASB ASC Topic 450, "Contingencies," to determine whether the contingency should be recognized as of the acquisition date or after it. Alliant Energy, IPL and WPL adopted SFAS 141(R) and FSP SFAS 141(R)-1 on Jan. 1, 2009. Because the provisions of SFAS 141(R) and FSP SFAS 141(R)-1 are only applied prospectively to business combinations after adoption, the impact to Alliant Energy, IPL and WPL cannot be determined until any business combinations occur.

SFAS 160, "Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51"

(currently included in FASB ASC Topic 810, "Consolidation")
In December 2007, the FASB issued SFAS 160, which amends accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 also clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 also changes the way the consolidated income statement is presented, establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation, requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated and requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent's owners and the interests of the noncontrolling owners of a subsidiary. Alliant Energy, IPL and WPL adopted SFAS 160 on Jan. 1, 2009 with no material impact on their financial condition and results of operations.

SFAS 157, "Fair Value Measurements"
(currently included in FASB ASC Topic 820, "Fair Value Measurements and Disclosures")
In September 2006, the FASB issued SFAS 157, which defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. Alliant Energy, IPL and WPL adopted SFAS 157 on Jan. 1, 2008 for financial instruments with no material impact on their financial condition and results of operations. In February 2008, the FASB issued FSP SFAS 157-2, "Effective Date of SFAS 157." Alliant Energy, IPL and WPL adopted FSP SFAS 157-2 on Jan. 1, 2009 for all nonrecurring fair value measurements of nonfinancial assets and nonfinancial liabilities with no material impact on their financial condition and results of operations. In April 2009, the FASB issued FSP SFAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly," which provides additional guidance on determining fair values when there is no active market or where the price inputs being used represent distressed sales. Alliant Energy, IPL and WPL adopted FSP SFAS 157-4 on June 30, 2009 with no material impact on their financial condition and results of operations. Refer to Note 10 for disclosures required by SFAS 157 (currently included in FASB ASC Topic 820).

(2) UTILITY RATE MATTERS
IPL's 2009 Iowa Retail Rate Case - In March 2009, IPL filed a request with the IUB to increase annual electric rates for its Iowa retail customers by $171 million, or 17%. In September 2009, IPL revised this request to seek an increase of $146 million, or 14%. An interim retail rate increase of $84 million, or 8% on an annual basis, was implemented by IPL effective March 27, 2009 without regulatory review and will be subject to refund pending determination of final rates from this request. As of Sep. 30, 2009, Alliant Energy and IPL did not believe any refunds related to the interim rate increase were probable and therefore no rate refund reserves were recorded.

WPL's Fuel-related Retail Rate Cases - Retail fuel-related costs incurred by WPL in 2008 and 2007 were lower than retail fuel-related costs used to determine rates during such periods resulting in refunds owed to its retail electric customers. In January 2009, WPL received approval from the PSCW to pay an $18 million interim refund to retail electric customers in the first quarter of 2009 related to the 2008 fuel-related retail rate case. In April 2009, WPL received approval from the PSCW to refund to its retail electric customers in the second quarter of 2009 the remaining $5 million related to the 2008 fuel-related retail rate case and the remaining $2 million related to fuel-related costs in the 2007 retail rate case. WPL completed these refunds in the first half of 2009.

WPL's retail fuel-related costs incurred during the month of July 2009 were below the monthly monitoring range of plus or minus 8%. In addition, WPL estimated its annual retail fuel-related costs for 2009 will fall outside the annual monitoring range of plus or minus 2%. As a result, WPL filed a request with the PSCW in August 2009 to set its retail electric fuel cost collections subject to refund. In September 2009, the PSCW set WPL's retail electric fuel rates currently in effect subject to refund for the period from Sep. 1, 2009 until the date the next fuel-related order issued by the PSCW is effective. During September 2009, WPL's retail fuel-related costs were higher than retail electric fuel cost collections currently in effect. Therefore, no rate refund reserves were recorded as of Sep. 30, 2009.

MISO RSG Settlements - Refer to Note 12(f) for discussion of MISO's RSG settlements process, including net benefits received by IPL and WPL during the nine months ended Sep. 30, 2009 and amounts refunded to WPL's retail customers in the second quarter of 2009.

(3) COMPREHENSIVE INCOME (LOSS)

Alliant Energy's comprehensive income (loss), and the components of other comprehensive income (loss), net of taxes, for the three and nine months ended Sep. 30 were as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
Net income (loss) attributable to Alliant Energy common shareowners	$ (44.3)	$ 108.5	$ 57.4	$ 237.4
Unrealized holding gains (losses) on securities, net of tax	0.4	(3.1)	0.5	(0.6)
Less: reclassification adjustment for gains (losses) included in net income (loss), net of tax	--	(0.3)	0.1	(0.3)
Net unrealized gains (losses) on securities, net of tax	0.4	(2.8)	0.4	(0.3)
Pension and other postretirement benefits amortizations, net of tax	--	--	--	0.1
Other comprehensive income (loss)	0.4	(2.8)	0.4	(0.2)
Comprehensive income (loss)	$ (43.9)	$ 105.7	$ 57.8	$ 237.2

(4) RECEIVABLES

(a) Sales of Accounts Receivable - At Sep. 30, 2009 and Dec. 31, 2008, IPL had sold in the aggregate $60 million and $25 million, respectively, of accounts receivable. IPL's average amount of aggregate accounts receivable sold and costs incurred related to the sales of accounts receivable program for the three and nine months ended Sep. 30 was as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
Average amount of aggregate accounts receivable sold (based on daily outstanding balances)	$92.0	$131.1	$118.9	$58.9
Costs incurred	0.5	1.0	1.7	1.4

Refer to Note 1(f) for discussion of a new accounting pronouncement that may result in modifications to the accounting for transactions under IPL's sale of accounts receivable agreement.

(b) Property Insurance Recoveries - Alliant Energy and IPL incurred covered flood losses related to the severe Midwest flooding in June 2008 that exceed the $100 million coverage limit under Alliant Energy's property insurance policy. As of Sep. 30, 2009, Alliant Energy and IPL had received $100 million and $99 million, respectively, of payments for reimbursement of covered flood losses under the property insurance policy. At Dec. 31, 2008, Alliant Energy and IPL recorded $26 million in "Accounts receivable - other" on their respective Consolidated Balance Sheets related to operating expenses incurred through Dec. 31, 2008 that were reimbursed with property insurance payments in 2009.

(c) Cash Collateral - As of Sep. 30, 2009, IPL, WPL and Corporate Services had entered into numerous agreements to purchase and sell electricity, natural gas and emission allowances to serve IPL's and WPL's utility customers. Exposure under certain of these agreements exceeded contractual limits, requiring WPL and Corporate Services to provide cash collateral to certain counterparties. The cash collateral was recorded in "Accounts receivable - other" on Alliant Energy's and WPL's Condensed Consolidated Balance Sheets as follows (in millions):

	Sep. 30, 2009	Dec. 31, 2008
WPL	$ 6	$ 15
Corporate Services	--	2
Alliant Energy	$ 6	$ 17

(5) INCOME TAXES

Income Tax Rates - The provision for income taxes for earnings from continuing operations is based on an estimated annual effective tax rate that excludes the impact of significant unusual or infrequently occurring items, discontinued operations or extraordinary items. The effective tax rates for Alliant Energy, IPL and WPL differ from the federal statutory rate of 35% generally due to state income taxes, tax credits, effects of utility rate making, certain non-deductible expenses and the impacts of new tax legislation discussed below. The income tax rates shown in the following table for the three and nine months ended Sep. 30 were computed by dividing income tax expense (benefit) by income from continuing operations before income taxes.

	Three Months		Nine Months	
	2009	2008	2009	2008
Alliant Energy	36.5%	37.3%	(57.7%)	32.8%
IPL	33.1%	33.7%	11.1%	29.4%
WPL	35.4%	36.8%	33.1%	36.5%

In February 2009, the Wisconsin Senate Bill 62 (SB 62) was enacted. The most significant provision of SB 62 for Alliant Energy, IPL and WPL requires combined reporting for corporate income taxation in Wisconsin beginning with tax returns filed for the calendar year 2009. This provision will require all legal entities in which Alliant Energy owns a 50% or more interest to file as members of a unitary return in Wisconsin. As a result of this provision in SB 62 and in order to take advantage of efficiencies that may be available as a result of IPL and WPL sharing resources and facilities, WPL now plans to file as a member of Iowa consolidated tax returns beginning with calendar year 2009. Changes in state apportioned income tax rates resulting from Wisconsin combined reporting requirements and WPL's plans to be included in Iowa consolidated tax returns required Alliant Energy, IPL and WPL to adjust the carrying value of their deferred income tax assets and liabilities in the first quarter of 2009. The provisions of SB 62 also make it unlikely that Alliant Energy will be able to utilize the majority of its current Wisconsin net operating loss carryforwards before they expire. Therefore, the valuation allowance related to the Wisconsin net operating loss carryforwards was increased by $6 million in the first quarter of 2009.

Alliant Energy, IPL and WPL recognized net income tax benefits in the first quarter of 2009 of $40.4 million, $32.7 million and $2.4 million, respectively, related to the impacts of adjustments to the carrying value of deferred tax assets and liabilities caused by changes to state apportioned income tax rates for Wisconsin combined reporting requirements and WPL's plans to be included in Iowa consolidated tax returns and adjustments to valuation allowances of deferred tax assets discussed in the previous paragraph. These net income tax benefits recognized in the first quarter of 2009 reduced Alliant Energy's, IPL's and WPL's income tax rates for the nine months ended Sep. 30, 2009 by 88.0%, 21.7% and 2.5%, respectively.

In the second quarter of 2008, Alliant Energy reached a settlement with the Internal Revenue Service (IRS), which finalized the audit of its U.S. federal income tax returns for calendar years 2002 through 2004. As a result of completing the audit and recording known adjustments for the tax returns for calendar years 2005 and 2006, Alliant Energy and IPL recorded decreases in their liabilities for unrecognized tax benefits and related interest, net of tax, and changes to their provision for income taxes, including the impacts of $12.6 million and $7.8 million, respectively, of income tax benefits allocated to continuing operations in the second quarter of 2008. These net income tax benefits recognized in the second quarter of 2008 reduced Alliant Energy's and IPL's income tax rates for the nine months ended Sep. 30, 2008 by 3.5% and 4.9%, respectively.

Deferred Tax Assets and Liabilities - During the nine months ended Sep. 30, 2009, Alliant Energy's, IPL's and WPL's non-current deferred tax liabilities recognized in "Deferred income taxes" on their respective Condensed Consolidated Balance Sheets increased $161 million, $144 million and $99 million, respectively. These increases were primarily due to additional temporary differences between the book basis and tax basis of property resulting from bonus tax depreciation deductions eligible for assets placed in service in 2009 under the ARRA, a recent change in method of accounting for tax purposes related to repair expenditures and a difference between the book and tax methods used to allocate flood insurance proceeds received as a result of the severe flooding in IPL's service territory in 2008. The change in method of accounting for repairs expenditures allows a current tax deduction for certain repair expenditures that are capitalized for book purposes. Flood insurance proceeds were allocated solely to capital for tax purposes and split between capital and expense for book purposes. The change in method of accounting for repairs expenditures and the tax method for allocating flood insurance proceeds were included in the federal and state income tax returns for calendar year 2008 filed in the second half of 2009.

These increases in Alliant Energy's non-current deferred tax liabilities were partially offset by the reversal of a portion of the deferred tax liabilities associated with Alliant Energy's Exchangeable Senior Notes due 2030 (Notes) as a result of the repurchase of the Notes in the third quarter of 2009. The remaining deferred tax liabilities associated with the Notes relate to Alliant Energy's ability to defer federal income tax on the $152 million taxable gain resulting from the repurchase of the Notes. Under provisions of the ARRA, Alliant Energy can defer its federal income tax obligation associated with the repurchase for five years, with one-fifth of the federal income tax obligation being paid in each of the years 2014 through 2018. Refer to Note 8(b) for further discussion of the repurchase of the Notes.

Changes in state apportioned income tax rates resulting from Wisconsin combined reporting requirements and WPL's plans to be included in Iowa consolidated tax returns resulted in reductions in the deferred tax assets for Wisconsin and Iowa capital loss carryforwards and associated valuation allowances of $11 million in the first quarter of 2009.

Income Tax Refunds Receivable - Current deductions from bonus tax depreciation in 2009 and repair expenditures discussed above are the primary reason why "Income tax refunds receivable" on Alliant Energy's, IPL's and WPL's Condensed Consolidated Balance Sheets increased $135 million, $53 million and $55 million, respectively, during the nine months ended Sep. 30, 2009.

Uncertain Tax Positions - Alliant Energy's, IPL's and WPL's uncertain tax positions increased by $54 million, $33 million and $21 million, respectively, during the nine months ended Sep. 30, 2009. Liabilities for Alliant Energy's, IPL's and WPL's uncertain tax positions are recognized in "Other long-term liabilities and deferred credits - other" on their respective Condensed Consolidated Balance Sheets. These increases in uncertain tax positions were primarily related to positions taken by Alliant Energy, IPL and WPL on their federal and state tax returns for calendar year 2008 filed in the second half of 2009 related to a change in method of accounting for repair expenditures and the treatment of flood insurance proceeds for tax purposes discussed above as well as uncertainty related to the tax treatment for casualty losses. Alliant Energy, IPL and WPL could have material changes to their unrecognized tax benefits during the 12 months ending Sep. 30, 2010 if the IRS completes its audit of these significant tax issues during this period.

Regulatory Assets and Liabilities - Changes in deferred income tax assets and liabilities associated with certain property-related basis differences at IPL are accounted for differently than most companies as a result of rate making practices in Iowa. Deferred tax expense (benefit) is not recorded for certain temporary differences (primarily related to utility property, plant and equipment at IPL) because retail rates in Iowa only reflect the impact of current tax expense (benefit). In the third quarter of 2009, IPL recognized significant tax benefits as a result of a change in accounting method for repairs expenditures and the tax method for allocating flood insurance proceeds. IPL expects to refund any tax benefits realized from these items to its Iowa retail customers in the future following finalization of the IRS audit of these items based on a method to be prescribed by the IUB. Because IPL expects to refund the tax benefits realized from these items to its Iowa retail customers in the future, Alliant Energy and IPL recorded an increase to their non-current regulatory liabilities of $109 million in the third quarter of 2009. Alliant Energy and IPL also recorded an increase to their non-current regulatory assets of $109 million in the third quarter of 2009 to reflect the benefit IPL expects to receive from its Iowa retail customers in the future as the temporary differences associated with the repairs expenditures and flood insurance proceeds reverse into current tax expense.

(6) BENEFIT PLANS

(a) Pension and Other Postretirement Benefits Plans - The components of Alliant Energy's qualified and non-qualified pension benefits and other postretirement benefits costs for the three and nine months ended Sep. 30 were as follows (in millions):

	Pension Benefits				Other Postretirement Benefits			
	Three Months		Nine Months		Three Months		Nine Months	
	2009	2008	2009	2008	2009	2008	2009	2008
Service cost	$ 3.0	$ 4.1	$ 9.2	$ 12.2	$ 2.2	$ 2.1	$ 6.5	$ 6.3
Interest cost	13.6	13.7	40.8	41.0	3.8	3.8	11.4	11.4
Expected return on plan assets	(11.9)	(18.7)	(35.7)	(56.0)	(1.5)	(2.3)	(4.6)	(6.8)
Amortization of:								
Transition obligation	--	--	--	--	--	--	0.1	0.1
Prior service cost (credit)	0.6	0.7	1.6	2.2	(0.9)	(0.9)	(2.7)	(2.7)
Actuarial loss	7.8	1.0	23.7	3.1	1.5	0.9	4.6	2.6
Curtailment losses (a)(b)	--	--	1.0	--	--	--	--	--
Special termination benefits costs (b)	--	--	0.5	--	--	--	--	--
	$ 13.1	$ 0.8	$ 41.1	$ 2.5	$ 5.1	$ 3.6	$ 15.3	$ 10.9

(a) In 2007, members of the International Brotherhood of Electrical Workers Local 965 ratified a four-year collective bargaining agreement reached with WPL, resulting in changes to WPL's qualified pension plan (Plan). One of these changes provided Plan participants a one-time option to cease participating in the Plan and begin participating in the Alliant Energy 401(k) Savings Plan with increased levels of contribution by Alliant Energy. The election of this option did not impact a participant's eligibility for benefits previously vested under the Plan. In the second quarter of 2009, certain of these employees elected to cease participating in the Plan, resulting in Alliant Energy and WPL recognizing a one-time curtailment loss related to the Plan of $0.7 million for the nine months ended Sep. 30, 2009.

(b) In the second quarter of 2009, Alliant Energy eliminated certain corporate and operations positions. As a result, Alliant Energy recognized one-time curtailment losses and special termination benefits costs related to its pension plans of $0.3 million and $0.5 million, respectively, for the nine months ended Sep. 30, 2009.

Alliant Energy estimates that funding for the qualified pension, non-qualified pension and other postretirement benefits plans during 2009 will be $50 million, $5 million and $21 million, respectively, of which $50 million, $3 million and $14 million, respectively, have been contributed through Sep. 30, 2009.

Refer to Note 12(c) for discussion of a class action lawsuit filed against the Alliant Energy Cash Balance Pension Plan in 2008.

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(b) Equity Incentive Plans - A summary of share-based compensation expense related to grants under Alliant Energy's 2002 Equity Incentive Plan (EIP) and the related income tax benefits recognized 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						
Share-based compensation expense	$ 1.3	$ 1.9	$ 0.7	$ 1.0	$ 0.6	$ 0.7
Income tax benefits	0.5	0.8	0.3	0.5	0.2	0.3
Nine Months Ended Sep. 30						
Share-based compensation expense	3.0	2.9	1.7	1.6	1.2	1.1
Income tax benefits	1.2	1.2	0.7	0.7	0.5	0.4

As of Sep. 30, 2009, total unrecognized compensation cost related to all share-based compensation awards was $9.8 million, which is expected to be recognized over a weighted average period of two years. Share-based compensation expense is recognized on a straight-line basis over the requisite service periods.

Performance Shares - Alliant Energy anticipates making future payouts of its performance shares in cash; therefore, performance shares were accounted for as liability awards at Sep. 30, 2009 and Dec. 31, 2008. A summary of the performance shares activity for the nine months ended Sep. 30 was as follows:

	2009 Shares (a)	2008 Shares (a)
Nonvested shares at Jan. 1	208,579	221,834
Granted	152,735	65,516
Vested	(84,633)	(78,532)
Forfeited	(20,102)	--
Nonvested shares at Sep. 30	256,579	208,818

(a) Share amounts represent the target number of performance shares. The actual number of shares that will be paid out upon vesting is dependent upon actual performance and may range from zero to 200% of the target number of shares.

Information related to nonvested performance shares and their fair values at Sep. 30, 2009, by year of grant, was as follows:

	2009 Grant	2008 Grant	2007 Grant
Nonvested performance shares	138,148	61,331	57,100
Alliant Energy common stock closing price on Sep. 30, 2009	$27.85	$27.85	$27.85
Estimated payout percentage based on performance criteria	90 %	70 %	69 %
Fair values of each nonvested performance share	$25.07	$19.50	$19.22

At Sep. 30, 2009, fair values of nonvested performance shares were calculated using a Monte Carlo simulation to determine the anticipated total shareowner returns of Alliant Energy and its investor-owned utility peer group. Expected volatility was based on historical volatilities using daily stock prices over the past three years. Expected dividend yields were calculated based on the most recent quarterly dividend rates announced prior to the measurement date and stock prices at the measurement date. The risk-free interest rate was based on the three-year U.S. Treasury rate in effect as of the measurement date.

In the first quarter of 2009 and 2008, Alliant Energy's performance share payouts were valued at $4.1 million and $5.0 million, respectively, and consisted of a combination of cash and common stock (51,189 shares and 3,835 shares, respectively).

Restricted Stock - Restricted stock issued under the EIP consists of time-based and performance-contingent restricted stock.

Time-based restricted stock - A summary of the time-based restricted stock activity for the nine months ended Sep. 30 was as follows:

	2009		2008	
	Shares	Weighted Average Fair Value	Shares	Weighted Average Fair Value
Nonvested shares at Jan. 1	156,807	$32.80	165,832	$30.66
Granted	51,236	29.40	47,922	35.60
Vested	(79,459)	31.08	(51,826)	28.27
Forfeited	(3,235)	33.97	(3,625)	35.69
Nonvested shares at Sep. 30	125,349	32.47	158,303	32.82

The weighted average fair value of time-based restricted stock granted during the three months ended Sep. 30, 2008 was $34.71. There were no grants of time-based restricted stock during the three months ended Sep. 30, 2009.

Performance-contingent restricted stock - A summary of the performance-contingent restricted stock activity for the nine months ended Sep. 30 was as follows:

	2009		2008	
	Shares	Weighted Average Fair Value	Shares	Weighted Average Fair Value
Nonvested shares at Jan. 1	124,185	$39.28	135,348	$32.42
Granted during first quarter	101,822	23.67	65,516	40.49
Vested	--	--	(54,991)	28.20

Forfeited	--	--	(21,688)	28.19
Nonvested shares at Sep. 30	226,007	32.25	124,185	39.28

Non-qualified Stock Options - A summary of the stock option activity for the nine months ended Sep. 30 was as follows:

	2009		2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at Jan. 1	497,183	$27.30	542,844	$27.45
Exercised	(17,655)	22.27	(45,661)	29.02
Expired	(56,098)	29.88	--	--
Forfeited	(16,877)	28.67	--	--
Outstanding and exercisable at Sep. 30	406,553	27.11	497,183	27.30

The weighted average remaining contractual term for options outstanding and exercisable at Sep. 30, 2009 was two years. The aggregate intrinsic value of options outstanding and exercisable at Sep. 30, 2009 was $0.8 million.

Other information related to stock option activity for the three and nine months ended Sep. 30 was as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
Cash received from stock options exercised	$0.3	$--	$0.4	$1.3
Aggregate intrinsic value of stock options exercised	--	--	0.1	0.3
Income tax benefit from the exercise of stock options	--	--	--	0.1

(7) COMMON AND PREFERRED STOCK

(a) Common Stock - A summary of Alliant Energy's common stock activity during the nine months ended Sep. 30, 2009 was as follows:

Shares outstanding at Jan. 1, 2009	110,449,099
Equity incentive plans (Note 6(b))	218,667
Other (a)	(33,490)
Shares outstanding at Sep. 30, 2009	110,634,276

(a) Includes shares transferred from employees to Alliant Energy to satisfy tax withholding requirements in connection with the vesting of certain restricted stock under the EIP.

In the second quarter of 2009, IPL and WPL received capital contributions of $50 million and $100 million, respectively, from their parent company, Alliant Energy. In the third quarter of 2009, IPL received a capital contribution of $100 million from its parent company.

In July 2008, FERC issued an order allowing IPL to pay up to $400 million in common equity distributions from additional paid-in capital, rather than retained earnings. IPL's repayments of capital to its parent company were $75 million in 2008 and $79 million during the nine months ended Sep. 30, 2009. As of Sep. 30, 2009, IPL's remaining authority under this FERC order was $246 million.

Alliant Energy does not have any significant common stock dividend restrictions. IPL and WPL each have common stock dividend restrictions based on the terms of their outstanding preferred stock and applicable regulatory limitations. Both IPL and WPL are restricted from paying common stock dividends to their parent company if for any past or current dividend period, dividends on their respective preferred stock have not been paid, or declared and set apart for payment. IPL and WPL have paid all dividends on their respective preferred stock through the third quarter of 2009.

IPL's most significant regulatory limitation on distributions to its parent company is included in an order issued by the MPUC in June 2009 that requires IPL to maintain a common stock equity ratio between 41.3% and 50.5% during the 12 months ended June 30, 2010. In addition, IPL must inform the IUB if its common equity ratio falls below 42% of total capitalization. As of Sep. 30, 2009, IPL's amount of retained earnings that were free of restrictions was $239 million.

WPL's most significant regulatory limitation on distributions to its parent company is included in an order issued by the PSCW in December 2008 that prohibits WPL from paying annual common stock dividends in excess of $91 million if WPL's common stock equity ratio is or will fall below 51.0%. As of Sep. 30, 2009, WPL's amount of retained earnings that were free of restrictions was $117 million.

Neither IPL nor WPL have regulatory authority to lend or advance any amounts to their parent company. As of Dec. 31, 2008, the amount of net assets of IPL and WPL that were not available to be transferred to their parent company in the form of loans, advances or cash dividends without the consent of IPL's and WPL's regulatory authorities was $0.9 billion and $1.0 billion, respectively.

(b) Preferred Stock - As of Dec. 31, 2008 and 2007, the carrying values of IPL's and WPL's cumulative preferred stock were $183.8 million and $60.0 million, respectively. These prior period amounts have been reclassified on a basis consistent with the current period financial presentation discussed below.

WPL - The articles of incorporation of WPL contain a provision that grants the holders of its preferred stock voting rights to elect a majority of WPL's Board of Directors if preferred dividends equal to the annual dividend requirements are in arrears. Exercise of such voting rights would provide the holders of WPL's preferred stock control of the decision on redemption of the preferred stock. In accordance with the provisions of FASB ASC Topic 480, "Distinguishing Liabilities from Equity," (previously EITF Issue D-98), these potential voting rights cause WPL's preferred stock to be presented outside of total equity in Alliant Energy's and WPL's Condensed Consolidated Balance Sheets in a manner consistent with temporary equity defined in FASB ASC Topic 480.

IPL - The articles of incorporation of IPL contain a provision that grants the holders of its preferred stock voting rights for the election of two members of IPL's Board of Directors if preferred dividends equal to the annual dividend requirements are in arrears. Such voting rights would not provide the holders of IPL's preferred stock control of the decision on redemption of the preferred stock. Therefore, IPL's preferred stock is presented in total equity in Alliant Energy's and IPL's Condensed Consolidated Balance Sheets in a manner consistent with non-controlling interests defined in FASB ASC Topic 810, “Consolidation,” (previously SFAS 160).

(8) DEBT
(a) Short-Term Debt - In March 2009, Alliant Energy, IPL and WPL amended their respective credit facility agreements to release Lehman Brothers Bank (Lehman) from the agreements. Lehman’s total commitment to the previous credit facilities was $27 million, of which Alliant Energy (at the parent company level), IPL and WPL had $4 million, $13 million, and $10 million, respectively. At Sep. 30, 2009, the three amended credit facilities totaled $623 million ($96 million for Alliant Energy at the parent company level, $287 million for IPL and $240 million for WPL). At Sep. 30, 2009, there was no short-term debt issued under Alliant Energy’s, IPL’s or WPL’s credit facilities.

In September 2009, Alliant Energy entered into a term loan facility (Credit Agreement) to provide short-term financing for the tender offer and consent solicitation discussed below. The terms of the Credit Agreement permitted Alliant Energy to borrow up to $200 million at any one time through Dec. 31, 2009 and required Alliant Energy to use net cash proceeds from certain equity or debt security issuances prior to Dec. 31, 2009 to repay any outstanding borrowings. As of Sep. 30, 2009, Alliant Energy borrowed $170 million under the Credit Agreement, which was recorded in “Other short-term borrowings” on Alliant Energy’s Condensed Consolidated Balance Sheet. Alliant Energy repaid the $170 million of borrowings in October 2009 with a portion of the proceeds from Alliant Energy’s issuance of $250 million of senior notes discussed below, at which time the Credit Agreement was terminated.

(b) Long-Term Debt
Exchangeable Senior Notes - In September 2009, Alliant Energy announced a tender offer and consent solicitation for its Exchangeable Senior Notes due 2030 (Notes). As of Sep. 30, 2009, Alliant Energy had received valid tenders and consents from holders of $402.3 million aggregate principal amount of Notes (or 5,938,660 Notes), which represented 99.96% of the $402.5 million aggregate principal amount of then outstanding Notes (or 5,940,960 Notes). In October 2009, Alliant Energy received valid tenders and consents from holders of $0.1 million aggregate principal amount of Notes (or 2,000 Notes). Upon completion of the tender offer in October 2009, there were 300 Notes outstanding.

As a result of receiving the requisite consents constituting a majority in aggregate principal amount of the outstanding Notes, Alliant Energy and the trustee for the Notes entered into a Sixth Supplemental Indenture that (i) waived an alleged default under the indenture for the Notes asserted in a notice of default from the trustee and its consequences; (ii) rescinded the notice of acceleration from the trustee, which declared the full principal amount of the Notes due and payable, and its consequences; (iii) stipulated that Alliant Energy’s assumption of the obligations of Resources under the indenture and the Notes and Resources’ release from its obligations under the indenture and the Notes were deemed to have been effective on Nov. 25, 2008; (iv) authorized the filing of a stipulation of dismissal with prejudice in federal court with respect to related litigation by the trustee with respect to the Notes; and (v) approved amendments to the indenture that eliminate substantially all of the covenants and certain of the events of default contained in the indenture. The Sixth Supplemental Indenture provisions described above became operative in September 2009. In September 2009, Alliant Energy, Resources and the trustee filed in federal court the stipulation of dismissal to end the litigation by the trustee with respect to the Notes.

In September 2009, Alliant Energy made $241 million of payments related to the Notes tendered using borrowings under the Credit Agreement discussed above and cash on hand. These payments exceeded the carrying value of the Notes tendered resulting in Alliant Energy incurring $203 million of pre-tax charges in the third quarter of 2009 related to the repurchase of the Notes. These pre-tax charges were recorded in “Loss on early extinguishment of debt” in Alliant Energy’s Condensed Consolidated Statements of Income for the three and nine months ended Sep. 30, 2009.

Other Debt - In July 2009, IPL issued $300 million of 6.25% senior debentures due 2039 and used the proceeds initially to repay short-term debt and invest in short-term assets and thereafter to redeem $135 million of its 6.625% senior debentures in August 2009. In July 2009, WPL issued $250 million of 5.00% debentures due 2019 and used the proceeds initially to repay short-term debt and invest in short-term assets. In October 2009, Alliant Energy issued $250 million of 4.00% senior notes due 2014 and used the proceeds to repay $170 million borrowed under the term loan facility discussed above and the remainder for general corporate purposes.

(9) INVESTMENTS
(a) Unconsolidated Equity Investments - Equity (income) loss from Alliant Energy's unconsolidated investments accounted for under the equity method of accounting for the three and nine months ended Sep. 30 was as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
American Transmission Company LLC (ATC)	$(9.2)	$(8.2)	$(26.7)	$(23.2)
Other	(0.3)	(1.4)	(0.6)	(1.1)
	$(9.5)	$(9.6)	$(27.3)	$(24.3)

Summary financial information from the unaudited financial statements of ATC for the three and nine months ended Sep. 30 was as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
Operating revenues	$132.3	$119.9	$387.5	$345.1
Operating income	73.5	67.9	215.2	188.9
Net income	53.8	49.7	157.4	137.8

(b) Other Investments - Information relating to various debt and equity securities held by Alliant Energy at Sep. 30, 2009 and Dec. 31, 2008 that are marked-to-market each reporting period as a result of FASB ASC 320, "Investments - Debt and Equity Securities," (previously SFAS 115) was as follows (in millions):

	Sep. 30, 2009		Dec. 31, 2008	
	Carrying/Fair Value	Unrealized Gains, Net of Tax	Carrying/Fair Value	Unrealized Gains, Net of Tax
Available-for-sale securities	$4.3	$0.6	$3.8	$0.2

(10) FAIR VALUE MEASUREMENTS
Fair Value of Financial Instruments - The carrying amounts of Alliant Energy's, IPL's and WPL's current assets and current liabilities approximate fair value because of the short maturity of such financial instruments. Carrying amounts and the related estimated fair values of other financial instruments at Sep. 30, 2009 and Dec. 31, 2008 were as follows (in millions):

	Alliant Energy		IPL		WPL	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Sep. 30, 2009						
Assets:						
Derivative assets (Note 11(a))	$ 33.0	$ 33.0	$ 18.3	$ 18.3	$ 14.6	$ 14.6
Available-for-sale securities (Note 9(b))	4.3	4.3	2.4	2.4	--	--

Capitalization and liabilities:						
Long-term debt (including current maturities) (Note 8(b))	2,257.4	2,542.3	1,158.6	1,292.3	1,031.5	1,186.2
Cumulative preferred stock of subsidiaries (Note 7(b))	243.8	259.8	183.8	209.4	60.0	50.4
Derivative liabilities (Note 11(a))	118.0	118.0	68.9	68.9	49.1	49.1
Dec. 31, 2008						
Assets:						
Derivative assets (Note 11(a))	28.4	28.4	8.7	8.7	19.6	19.6
Available-for-sale securities (Note 9(b))	3.8	3.8	2.3	2.3	--	--
Capitalization and liabilities:						
Long-term debt (including current maturities) (Note 8(b))	1,884.7	2,107.0	995.2	991.8	782.9	861.7
Cumulative preferred stock of subsidiaries (Note 7(b))	243.8	242.1	183.8	192.3	60.0	49.8
Derivative liabilities (Note 11(a))	103.0	103.0	88.2	88.2	14.8	14.8

Valuation Techniques -

Derivative assets and liabilities - Derivative assets and liabilities include electricity swap contracts, natural gas swap contracts, physical forward electricity purchase and sales contracts, financial transmission rights (FTRs) and embedded foreign currency derivatives. Substantially all of IPL’s and WPL’s electricity and natural gas swap and physical forward contracts are non-exchange-based derivatives valued using indicative price quotations available through broker or dealer quotations or from on-line exchanges. IPL and WPL corroborate these indicative price quotations using quoted prices for similar assets or liabilities in active markets. The indicative price quotations reflect the average of the bid-ask mid-point prices and are obtained from sources believed to provide the most liquid market for the commodity. IPL’s and WPL’s swaps and forward contracts are predominately at liquid trading points. IPL’s and WPL’s FTRs are measured at fair value each reporting period using monthly or annual auction shadow prices from relevant auctions. The embedded foreign currency derivatives related to Euro-denominated payment terms included in the wind turbine supply contract with Vestas are measured at fair value each reporting period using an extrapolation of forward currency rates. Refer to Note 11(a) for additional details of Alliant Energy’s derivative assets and liabilities.

Available-for-sale securities - The fair value of Resources’ investment in Capstone Turbine Corporation’s common stock and IPL’s investments in various debt and equity securities are measured at fair value each reporting period using quoted market prices on listed exchanges. Refer to Note 9(b) for additional details of Alliant Energy’s available-for-sale securities.

Long-term debt (including current maturities) - For long-term debt instruments that are actively traded, the fair value was based upon quoted market prices each reporting period. For long-term debt instruments that are not actively traded, the fair value was based on discounted cash flow methodology and utilizes assumptions of current market pricing curves. Refer to Note 8(b) for additional details of Alliant Energy's long-term debt.

Cumulative preferred stock of subsidiaries - The fair values of IPL's 8.375% and 7.10% cumulative preferred stock were based on their closing market prices quoted by the New York Stock Exchange each reporting period. The fair value of WPL's 4.50% cumulative preferred stock was based on the closing market prices quoted by the NYSE Amex LLC each reporting period. The fair value of WPL's remaining preferred stock was calculated based on the market yield of similar securities. Refer to Note 7(b) for additional details of Alliant Energy's cumulative preferred stock of subsidiaries.

Valuation Hierarchy - FASB ASC Topic 820, "Fair Value Measurements and Disclosures," (previously SFAS 157) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy and examples of each are as follows:

Level 1 - Pricing inputs are quoted prices available in active markets for identical assets or liabilities as of the reporting date. Level 1 assets primarily include Resources' investment in Capstone Turbine Corporation's common stock and IPL's investments in various debt and equity securities.

Level 2 - Pricing inputs are quoted prices for similar asset or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active as of the reporting date. Level 2 assets and liabilities include non-exchange traded derivatives such as electricity and natural gas swap contracts utilized by IPL and WPL.

Level 3 - Pricing inputs are unobservable inputs for assets or liabilities for which little or no market data exist and require significant management judgment or estimation. Level 3 assets and liabilities include IPL's and WPL's financial transmission rights and embedded foreign currency derivatives.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

Recurring Fair Value Measurements - Alliant Energy's recurring fair value measurements subject to the disclosure requirements of FASB ASC Topic 820 (previously SFAS 157) at Sep. 30, 2009 and Dec. 31, 2008 were as follows (in millions):

	Fair Value Measurements	Level 1	Level 2 (a)	Level 3 (b)
Sep. 30, 2009				
Assets:				
Derivative assets	$ 33.0	$0.1	$18.2	$14.7
Available-for-sale securities	4.3	4.3	--	--
Liabilities:				
Derivative liabilities	118.0	--	111.9	6.1
Dec. 31, 2008				
Assets:				
Derivative assets	28.4	0.1	2.6	25.7

Available-for-sale securities	3.8	3.8	--	--
Liabilities:				
Derivative liabilities	103.0	--	92.0	11.0

(a) Primarily electricity and natural gas swap contracts
(b) Primarily embedded foreign currency derivatives and FTRs

Additional information for Alliant Energy's recurring fair value measurements using significant unobservable inputs (Level 3 inputs) for the three and nine months ended Sep. 30 is as follows (in millions):

	Derivative Assets and Liabilities, net	
Three months ended Sep. 30	2009	2008
Beginning balance, July 1	$10.3	$26.3
Total gains or (losses) (realized/unrealized) included in changes in net assets (a)	(4.5)	5.3
Purchases, sales, issuances and settlements, net	(3.9)	(9.2)
Transfers in and/or out of Level 3	6.7	--
Ending balance, Sep. 30	$8.6	$22.4
The amount of total gains or (losses) for the period included in changes in net assets attributable to the change in unrealized gains or (losses) relating to assets and liabilities held at Sep. 30 (a)	$(4.5)	$7.5
Nine months ended Sep. 30		
Beginning balance, Jan. 1	$14.7	$27.7
Total gains or (losses) (realized/unrealized) included in changes in net assets (a)	(5.0)	17.1
Purchases, sales, issuances and settlements, net	(1.1)	(22.4)
Ending balance, Sep. 30	$8.6	$22.4
The amount of total gains or (losses) for the period included in changes in net assets attributable to the change in unrealized gains or (losses) relating to assets and liabilities held at Sep. 30 (a)	$(4.5)	$22.4

(a) Recorded in "Regulatory assets" and "Regulatory liabilities" on Alliant Energy's Condensed Consolidated Balance Sheets.

Nonrecurring Fair Value Measurements - During the nine months ended Sep. 30, 2009, Alliant Energy's fair value measurement subject to the disclosure requirements of FASB ASC Topic 820 (previously SFAS 157) that was measured at fair value on a nonrecurring basis was as follows (in millions):

	Fair Value at Sep. 30, 2009	Level 1	Level 2	Level 3	Total Loss
IPL's steam plant in service	$ 4.6	$ --	$ --	$ 4.6	$ (4.0)

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In the second quarter of 2009, IPL announced its decision to discontinue providing steam service to customers in downtown Cedar Rapids. As a result of this decision, IPL assessed the recoverability of its steam assets in downtown Cedar Rapids in the second quarter of 2009 and determined the carrying amount of the assets exceeded the expected undiscounted future cash flows from the assets. The carrying value of the assets was reduced by $4 million in the second quarter of 2009 to equal the estimated fair value of the assets at June 30, 2009 of $6 million. The fair value of the assets was estimated using the expected cash flows from the assets for the remainder of 2009 and the anticipated salvage value of the assets. Alliant Energy and IPL recognized the $4 million impairment charge in "Utility other operation and maintenance expenses" in their Condensed Consolidated Income Statements in the second quarter of 2009. Refer to Note 1(d) for further discussion of IPL's steam plant in service.

(11) DERIVATIVE INSTRUMENTS
(a) Accounting for Derivative Instruments -
Purpose - Alliant Energy periodically uses derivative instruments for risk management purposes to mitigate exposures to fluctuations in interest rates, certain commodity prices, transmission congestion costs and currency exchange rates. Alliant Energy's, IPL's and WPL's current derivative instruments have not been designated as hedging instruments, as defined under FASB ASC Topic 815, "Derivatives and Hedging," (previously SFAS 133). IPL's and WPL's derivative instruments include electric physical forward purchase contracts and swap contracts to mitigate pricing volatility for the electricity purchased to supply to their customers, electric physical forward sale contracts to offset long positions created by reductions in electricity demand forecasts, natural gas swap contracts to mitigate pricing volatility for the fuel used to supply to the natural gas-fired electric generating facilities they operate, FTRs acquired to manage transmission congestion costs, natural gas swap contracts to mitigate pricing volatility for natural gas supplied to their retail customers and embedded foreign currency derivatives related to Euro-denominated payment terms included in the wind turbine supply contract with Vestas. Resources' derivative instruments include oil contracts, which are used to mitigate pricing volatility for anticipated purchases of diesel fuel to fuel standby generators owned by its Non-regulated Generation business.

Notional Amounts - As of Sep. 30, 2009, Alliant Energy, IPL and WPL had notional amounts related to outstanding swap contracts, physical forward contracts, FTRs and foreign currency denominated payments that were accounted for as derivative instruments as follows (units in thousands; megawatt-hours (MWhs); dekatherms (Dths)):

	2009	2010	2011	2012	Total
Alliant Energy					
Commodity:					
Electricity (MWhs)	880	4,107	1,435	--	6,422
FTRs (MWs)	6	10	--	--	16
Natural gas (Dths)	16,288	31,383	14,925	6,182	68,778
Oil (gallons)	--	378	--	--	378
Foreign exchange (Euro dollars)	--	44,420	14,806	--	59,226
IPL					
Commodity:					
Electricity (MWhs)	256	2,281	221	--	2,758
FTRs (MWs)	3	5	--	--	8
Natural gas (Dths)	12,845	23,895	8,560	--	45,300
Foreign exchange (Euro dollars)	--	44,420	14,806	--	59,226
WPL					
Commodity:					
Electricity (MWhs)	624	1,826	1,214	--	3,664
FTRs (MWs)	3	5	--	--	8
Natural gas (Dths)	3,443	7,488	6,365	6,182	23,478

The notional amounts in the above table were computed by aggregating the absolute value of purchase and sale positions within commodities for each year.

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Financial Statement Presentation - Alliant Energy records derivative instruments at fair value on the balance sheet as assets or liabilities. At Sep. 30, 2009 and Dec. 31, 2008, the fair values of current derivative assets were included in "Derivative assets," non-current derivative assets were included in "Deferred charges and other," current derivative liabilities were included in "Derivative liabilities" and non-current derivative liabilities were included in "Other long-term liabilities and deferred credits" on the Condensed Consolidated Balance Sheets 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
Current derivative assets						
Commodity contracts	$23.4	$18.1	$13.0	$7.4	$10.4	$10.7
Foreign exchange contracts	--	--	--	--	--	--
	$23.4	$18.1	$13.0	$7.4	$10.4	$10.7
Non-current derivative assets						
Commodity contracts	$6.6	$2.4	$2.3	$1.3	$4.2	$1.0
Foreign exchange contracts	3.0	7.9	3.0	--	--	7.9
	$9.6	$10.3	$5.3	$1.3	$4.2	$8.9
Current derivative liabilities						
Commodity contracts	$92.6	$76.7	$59.2	$68.9	$33.4	$7.8
Foreign exchange contracts	1.5	1.9	0.1	1.1	1.4	0.8
	$94.1	$78.6	$59.3	$70.0	$34.8	$8.6
Non-current derivative liabilities						
Commodity contracts	$23.7	$22.8	$9.6	$18.2	$14.1	$4.6
Foreign exchange contracts	0.2	1.6	--	--	0.2	1.6
	$23.9	$24.4	$9.6	$18.2	$14.3	$6.2

IPL and WPL generally record gains and losses from their derivative instruments with offsets to regulatory assets or liabilities, based on their fuel and natural gas cost recovery mechanisms, as well as other specific regulatory authorizations. Gains and losses from derivative instruments not designated as hedging instruments for the three and nine months ended Sep. 30, 2009 were recorded as follows (in millions):

	Location of Gain (Loss) in Balance Sheet or Statement of Income	Gain (Loss)		
		Alliant Energy	IPL	WPL
Three months ended Sep. 30, 2009				
Commodity contracts	Regulatory assets (a)	$(11.3)	$(6.9)	$(4.4)
	Regulatory liabilities (a)	7.5	4.7	2.8
Foreign exchange contracts	Regulatory liabilities (a)	(4.5)	(4.5)	--
Nine months ended Sep. 30, 2009				
Commodity contracts	Regulatory assets (a)	(105.1)	(58.2)	(46.9)
	Regulatory liabilities (a)	19.1	10.1	9.0
	Non-regulated operation and maintenance (b)	0.2	--	--

Foreign exchange contracts	Regulatory liabilities (a)	(4.9)	(4.5)	(0.4)

(a) Balance Sheet
(b) Statement of Income

Losses from commodity contracts during the nine months ended Sep. 30, 2009 were primarily due to impacts of significant decreases in electricity and natural gas prices.

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

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Certain of these agreements with credit risk-related contingency features are accounted for as derivative instruments. The aggregate fair value of all derivatives with credit risk-related contingent features that were in a net liability position on Sep. 30, 2009 was $118.0 million, $68.9 million and $49.1 million for Alliant Energy, IPL and WPL, respectively. At Sep. 30, 2009, Alliant Energy, IPL and WPL all had investment-grade credit ratings. However, WPL exceeded its liability position with certain counterparties requiring it to post cash collateral. This cash collateral has been allocated between the agreements accounted for as derivatives and those that are not accounted for as derivatives based on the percentage of the fair value of each on Sep. 30, 2009. If the most restrictive credit risk-related contingent features for derivative agreements in a net liability position were triggered on Sep. 30, 2009, Alliant Energy, IPL and WPL would be required to post an additional $114.7 million, $68.9 million and $45.8 million, respectively, of credit support to their counterparties. Refer to Note 4(c) for additional details of total cash collateral posted by Alliant Energy, IPL and WPL at Sep. 30, 2009 and Dec. 31, 2008.

(b) Weather Derivatives - Alliant Energy periodically uses non-exchange traded swap agreements based on cooling degree days (CDD) and heating degree days (HDD) measured in or near its utility service territories to reduce the impact of weather volatility on its electric and natural gas sales volumes. These weather derivatives are accounted for using the intrinsic value method. Any premiums paid related to these weather derivative agreements are expensed over each respective contract period. Alliant Energy's ratepayers do not pay any of the premiums nor do they share in the gains or losses realized from these weather derivatives.

Alliant Energy periodically utilizes weather derivatives based on CDD to reduce the potential volatility on its electric margins during the summer months of June through August. However, Alliant Energy did not enter into a CDD swap agreement for the June 1, 2009 to Aug. 31, 2009 time period.

In 2008, IPL and WPL each entered into separate non-exchange traded swap agreements based on HDD measured in Cedar Rapids, Iowa and Madison, Wisconsin, respectively, to reduce the impact of weather volatility on IPL's and WPL's margins for Nov. 1, 2008 to March 31, 2009. The actual HDD for Nov. 1, 2008 to Dec. 31, 2008 were higher than those specified in the contracts, resulting in Alliant Energy paying the counterparty $3.6 million (IPL paying $2.2 million and WPL paying $1.4 million) in January 2009. In addition, the actual HDD for Jan. 1, 2009 to March 31, 2009 were higher than those specified in the contracts, resulting in Alliant Energy paying the counterparty $5.2 million (IPL paying $3.2 million and WPL paying $2.0 million) in April 2009.

The counterparties to certain of these contracts were required to provide cash collateral to IPL and WPL. As of Dec. 31, 2008, the outstanding cash collateral received by IPL and WPL of $5.4 million and $1.4 million, respectively, was recorded in “Accounts payable” on the respective Condensed Consolidated Balance Sheets. All remaining cash collateral related to weather derivatives was returned to the counterparty in the first half of 2009.

A summary of the gains (losses) resulting from changes in the value of weather derivatives for the three and nine months ended Sep. 30 was as follows (in millions):

	Electric Utility Operating Revenues				Gas Utility Operating Revenues			
	Three Months		Nine Months		Three Months		Nine Months	
	2009	2008	2009	2008	2009	2008	2009	2008
IPL	$--	$4.6	$(1.8)	$5.3	$--	$--	$(1.4)	$(1.5)
WPL	--	1.1	(0.8)	1.1	--	--	(1.2)	(1.3)
Alliant Energy	$--	$5.7	$(2.6)	$6.4	$--	$--	$(2.6)	$(2.8)

(12) COMMITMENTS AND CONTINGENCIES

(a) Capital Purchase Obligations - Alliant Energy, IPL and WPL have entered into capital purchase obligations that contain minimum future commitments. At Sep. 30, 2009, Alliant Energy’s, IPL’s and WPL’s minimum future commitments related to certain capital expenditures for their wind projects were as follows (in millions):

	Alliant Energy	IPL	WPL
Wind projects (a)	$396	$185	$211

(a) Primarily related to capital purchase obligations under a master supply agreement executed in 2008 with Vestas for the purchase of 500 MW of wind turbine generator sets and related equipment to support IPL’s and WPL’s wind generation plans. A portion of the future payments are denominated in Euros and therefore are subject to change with fluctuations in currency exchange rates. In addition, the master supply agreement includes pricing terms that are subject to change if steel prices change by more than 10% between measurement dates defined in the master supply agreement. The amounts included in the above table reflect currency exchange rates and steel prices at Sep. 30, 2009.

(b) Operating Expense Purchase Obligations - Alliant Energy, IPL and WPL have entered into various commodity supply, transportation and storage contracts to meet their obligations to deliver energy to their utility customers. Alliant Energy, IPL and WPL also enter into other operating expense purchase obligations with various vendors for other goods and services. At Sep. 30, 2009, Alliant Energy’s, IPL’s and WPL’s minimum future commitments related to these operating expense purchase obligations were as follows (in millions):

	Alliant Energy	IPL	WPL
Purchased power (a):			
DAEC (IPL)	$798	$798	$--
Kewaunee Nuclear Power Plant (Kewaunee) (WPL)	317	--	317
Other	153	36	117
	1,268	834	434
Natural gas	428	177	251

Coal (b)	383	107	40
Emission allowances (c)	45	45	--
Other (d)	48	29	6
	$2,172	$1,192	$731

(a) Includes payments required by purchased power agreements (PPAs) for capacity rights and minimum quantities of MWhs required to be purchased. Excludes contracts that are considered operating leases.
(b) Corporate Services has entered into system-wide coal purchase contracts on behalf of IPL and WPL that include minimum future commitments of $236 million that have not been directly assigned to IPL and WPL since the specific needs of each utility were not yet known as of Sep. 30, 2009.
(c) IPL has entered into forward contracts to purchase sulfur dioxide (SO2) emission allowances with vintage years of 2014 through 2017 and nitrogen oxide (NOx) emission allowances with vintage years of 2009 through 2011 from various counterparties for $34 million and $11 million, respectively. IPL may utilize any SO2 emission allowances acquired under these forward contracts to meet requirements under the Acid Rain Program regulations or the more stringent Clean Air Interstate Rule (CAIR) emission reduction standards. IPL entered into the forward contracts to purchase NOx emission allowances solely for the purpose of compliance with the CAIR emission reduction standards. IPL is currently monitoring the status of the forward contracts to purchase SO2 and NOx emission allowances in light of various court rulings in 2008 and anticipated U.S. Environmental Protection Agency (EPA) proceedings regarding changes to CAIR. Alliant Energy and IPL do not currently believe any losses from these forward contracts are probable and therefore have not recognized any loss contingency amounts related to the forward contracts as of Sep. 30, 2009. Alliant Energy and IPL are currently unable to predict the ultimate impact these forward contracts will have on their financial condition and results of operations.
(d) Includes individual commitments incurred during the normal course of business that exceeded $1 million at Sep. 30, 2009.

(c) Legal Proceedings -
Exchangeable Senior Notes Indenture - Alliant Energy and Resources received a notice of default, dated Sep. 4, 2008 (Notice of Default), from U.S. Bank National Association as successor indenture trustee (Trustee) pursuant to which the Trustee asserted that Resources was in default under the Indenture with respect to the Exchangeable Senior Notes due 2030 (Notes), which were issued by Resources and were guaranteed by Alliant Energy. The alleged default related to a provision of the Indenture that provided that if Resources transferred all or substantially all of its properties and assets to a third party, then the transferee must be organized and existing under the laws of the U.S. or a state thereof and assume Resources' obligations under the Notes and the Indenture. The Trustee alleged in the Notice of Default that Resources transferred substantially all of its assets without complying with the Indenture and, as a result, a default had occurred under the Indenture. On Sep. 4, 2008, the Trustee also filed a complaint seeking a declaratory judgment that Resources was in breach of the Indenture.

On Sep. 30, 2009, Alliant Energy, Resources and the Trustee filed a Stipulation of Dismissal with the U.S. District Court for the Western District of Wisconsin, which dismissed the lawsuit on its merits and with prejudice. Refer to Note 8(b) for discussion of Alliant Energy's tender offer and consent solicitation for the Notes that resulted in the dismissal of such lawsuit.

On Feb. 27, 2009, a purported shareowner filed in the Circuit Court for Dane County, Wisconsin, a derivative complaint against certain current and former officers and directors of Alliant Energy alleging that such officers and directors breached their fiduciary duties by approving sales of assets of Resources in violation of the Indenture and wasting Alliant Energy's assets by compensating such officers and directors in connection with such sales. Alliant Energy believes the derivative complaint is without merit and intends to vigorously defend against this litigation. The purported shareowner had previously made a demand asking the Board of Directors to take action to remedy the alleged breaches of fiduciary duties by certain officers and directors. Under Wisconsin law, if a shareowner commences a derivative proceeding after making such a demand, the court must dismiss such a derivative proceeding if a committee of independent directors appointed by independent directors determines, acting in good faith after conducting a reasonable inquiry upon which its conclusions are based, that maintenance of the derivative proceeding is not in the best interests of the corporation. The independent directors of Alliant Energy appointed such a special litigation committee of independent directors, which conducted an inquiry into the allegations made in the demand from the purported shareowner and in a report delivered to Alliant Energy determined that maintenance of the derivative proceeding is not in the best interests of Alliant Energy. Based on that report, on Sep. 14, 2009, Alliant Energy filed a motion to dismiss the derivative proceeding in the Circuit Court for Dane County, Wisconsin. Alliant Energy does not currently believe any losses from the purported shareowner action are probable and therefore has not recognized any related loss contingency amounts as of Sep. 30, 2009.

Alliant Energy Cash Balance Pension Plan (Plan) - In February 2008, a class action lawsuit was filed against the Plan. The complaint alleges that Plan participants who received a lump sum distribution prior to their normal retirement age did not receive the full benefit to which they were entitled in violation of the Employee Retirement Income Security Act of 1974 because the Plan applied an improper interest crediting rate to project the cash balance account to their normal retirement age. The court has certified two subclasses of plaintiffs that in aggregate include all persons vested or partially vested in the Plan who received a lump sum distribution of the cash balance formula benefit from Jan. 1, 1998 through Aug. 17, 2006 including: 1) persons who received a lump sum distribution from Jan. 1, 1998 through Feb. 28, 2002; and 2) persons who received a lump sum distribution from Feb. 29, 2002 through Aug. 17, 2006. Alliant Energy is contesting the case and the parties are proceeding with discovery. In September 2009, the plaintiffs submitted reports by their expert witnesses that quantified the alleged underpayments owed to plaintiffs between $24 million and $54 million, including interest. Alliant Energy disputes these amounts. This matter is scheduled for non-binding mediation in the fourth quarter of 2009. Trial is scheduled for April 2010.

In addition, the projection rate is being considered by the IRS as part of its review of Alliant Energy's request for a favorable determination letter with respect to the tax-qualified status of the Plan. Alliant Energy is currently working with the IRS to resolve issues to obtain a determination letter. Alliant Energy is currently unable to predict the final outcome of these matters or their impact on its financial condition or results of operations but believes an adverse outcome could have a material effect on retirement plan funding and expense for Alliant Energy, IPL and WPL. Alliant Energy does not currently believe any losses from these matters are both probable and reasonably estimated and therefore has not recognized any related loss contingency amounts as of Sep. 30, 2009.

(d) Guarantees and Indemnifications - Alliant Energy provided indemnifications associated with various sales of its non-regulated and utility businesses/assets for losses resulting from potential breach of the representations and warranties made by Alliant Energy on the sale dates and for the breach of its obligations under the sale agreements. Alliant Energy believes the likelihood of having to make any material cash payments under these indemnifications is remote. Alliant Energy recorded liabilities of $1 million related to these indemnifications as of Sep. 30, 2009. The terms of the indemnifications provided by Alliant Energy at Sep. 30, 2009 for the various sales were generally as follows (in millions):

Businesses/Assets Sold	Disposal Date	Maximum Limit	Expiration Date
Brazil	First quarter of 2006	$10	January 2011
New Zealand	Fourth quarter of 2006	151 (a)	March 2012
Mexico	Second quarter of 2007	20	June 2012

(a) Based on exchange rates at Sep. 30, 2009

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Alliant Energy also continues to guarantee the abandonment obligations of Whiting Petroleum Corporation under the Point Arguello partnership agreements. The guarantee does not include a maximum limit. As of Sep. 30, 2009, the present value of the abandonment obligations is estimated at $21 million. Alliant Energy believes that no payments will be made under this guarantee.

(e) Environmental Matters -
Manufactured gas plant (MGP) Sites - IPL and WPL have current or previous ownership interests in 40 and 14 sites, respectively, previously associated with the production of gas for which they may be liable for investigation, remediation and monitoring costs relating to the sites. IPL and WPL have received letters from state environmental agencies requiring no further action at ten and eight sites, respectively. Additionally, IPL has met state environmental agency expectations at three additional sites requiring no further action for soil remediation. IPL and WPL are working pursuant to the requirements of various federal and state agencies to investigate, mitigate, prevent and remediate, where necessary, the environmental impacts to property, including natural resources, at and around the sites in order to protect public health and the environment.

IPL and WPL record environmental liabilities related to these MGP sites based upon periodic studies. There are inherent uncertainties associated with the estimated remaining costs for MGP projects primarily due to unknown site conditions and potential changes in regulatory agency requirements. Management currently estimates the range of remaining costs to be incurred for the investigation, remediation and monitoring of Alliant Energy's sites to be $21 million ($16 million for IPL and $5 million for WPL) to $43 million ($36 million for IPL and $7 million for WPL). At Sep. 30, 2009, Alliant Energy, IPL and WPL had recorded $35 million, $30 million and $5 million, respectively, in current and non-current environmental liabilities for their remaining costs to be incurred for these MGP sites.

Other Environmental Contingencies - In addition to the environmental liabilities discussed above, Alliant Energy, IPL and WPL also monitor various environmental regulations that may have a significant impact on their future operations. Given uncertainties regarding the outcome, timing and compliance plans for these environmental regulations, Alliant Energy, IPL and WPL are currently not able to determine the complete financial impact of these regulations but do believe that future capital investments and/or modifications to their electric generating facilities to comply with these regulations could be significant. Specific current, proposed or potential environmental regulations that may require significant future expenditures by Alliant Energy, IPL and WPL include, among others: CAIR, Clean Air Visibility Rule, Clean Air Mercury Rule (CAMR), Utility Maximum Available Control Technology (MACT) Rule, Wisconsin Reasonably Available Control Technology Rule, Wisconsin State Mercury Rule, Ozone National Ambient Air Quality Standards (NAAQS) Rule, Nitrogen Dioxide (NO2) NAAQS Rule, Fine Particle NAAQS Rule, Industrial Boiler and Process Heater Case-by-Case MACT Rule, Federal Clean Water Act including Section 316(b), the Wisconsin State Thermal Rule, Coal Combustion By-products Rule and various legislation and EPA regulations being considered to regulate the emission of GHG.

(f) MISO RSG Settlements - In November 2008, FERC issued two orders, requiring MISO to resettle two separate amounts of historical RSG charges from its wholesale energy market. These resettlements involve MISO collecting RSG charges from some market participants and refunding the collected amounts to other market participants. In May and June 2009, FERC issued two orders reversing portions of its November 2008 orders that reduced the amount of anticipated RSG resettlements compared to initial estimates. Various FERC orders related to RSG settlements and resettlements are subject to FERC rehearing or have been appealed to the U.S. Court of Appeals for the D.C. Circuit. During the nine months ended Sep. 30, 2009, IPL and WPL received $2 million and $1 million, respectively, of net benefits from the two resettlements, including interest.

In April 2009, the PSCW issued an order requiring WPL to refund $3 million to its retail customers in the second quarter of 2009 for a portion of the total net benefit initially anticipated from the RSG resettlements pursuant to the November 2008 FERC orders. As a result of the FERC orders issued in the second quarter of 2009, WPL requested that the PSCW either allow a rehearing to revise the ordering points or grant permission to defer until a future rate case any amounts refunded by WPL to retail customers that are not received by WPL from MISO. In June 2009, the PSCW approved WPL's request to defer the difference between the RSG refunds made to its retail customers in the second quarter of 2009 and any net benefit from RSG resettlements that WPL ultimately receives from MISO. As of Sep. 30, 2009, Alliant Energy and WPL had a $2 million regulatory asset recorded on their Condensed Consolidated Balance Sheets for RSG refunds WPL made to its retail customers in the second quarter of 2009 that were not received from MISO.

IPL expects any net benefit from the RSG resettlements will be refunded to its customers through IPL's retail and wholesale fuel-related cost recovery mechanisms. WPL expects the wholesale portion of any net benefit from the RSG resettlements will be refunded to wholesale customers through WPL's wholesale fuel-related cost recovery mechanism.

(g) Sutherland #4 Generation Project - In November 2007, IPL, Central Iowa Power Cooperative (CIPCO) and Corn Belt Power Cooperative (Corn Belt) entered into a joint operating agreement for joint ownership of the proposed 630 MW coal fired electric generating facility in Marshalltown, Iowa referred to as Sutherland #4. In January 2008 and January 2009, several members of North Iowa Municipal Electric Cooperative Association (NIMECA) also entered into the joint operating agreement for Sutherland #4 with IPL, CIPCO and Corn Belt. In March 2009, a decision was made not to proceed with the construction of Sutherland #4.

The joint operating agreement for Sutherland #4 includes a provision that may obligate IPL to reimburse its joint partners (CIPCO, Corn Belt and NIMECA) for payments they incurred for Sutherland #4 if IPL notified each of the joint partners in writing that it is abandoning Sutherland #4 due to a decision by the IUB regarding IPL's allowed return on equity for Sutherland #4 that is unsatisfactory to IPL in its sole discretion. During the third quarter of 2009, IPL received correspondence from its joint partners alleging IPL is obligated under the terms of the joint operating agreement to reimburse the joint partners for payments they incurred for Sutherland #4. As of Sep. 30, 2009, the payments incurred by the joint partners for Sutherland #4 were $14 million. IPL believes the decision not to proceed with the construction of Sutherland #4 was made by both IPL and its joint partners based on a combination of factors including the current economic and financial climate, increasing environmental, legislative and regulatory uncertainty regarding regulation of future GHG emissions and the terms placed on the proposed generating facility by regulators. As a result, IPL does not believe it is obligated to reimburse its joint partners for payments they incurred for Sutherland #4. Alliant Energy and IPL do not currently believe any loss from this matter is probable and therefore have not recognized any related loss contingency amounts as of Sep. 30, 2009.

(h) Air Permitting Violation Claims - In October 2009, WPL received from the Sierra Club a notice of intent to file a civil lawsuit based on allegations that major modifications were made at the Nelson Dewey Generating Station (Nelson Dewey) and Columbia Energy Center (Columbia) without complying with the Prevention of Significant Deterioration (PSD) and Title V Operating Permit requirements of the Clean Air Act (CAA). The allegations suggest that PSD permits that imposed Best Available Control Technology limits on emissions from the facilities should have been obtained for Nelson Dewey and Columbia. If pursued and successful, this lawsuit could result in civil penalties and injunctive relief, as well as increased capital and operating expenditures at Nelson Dewey and Columbia. Alliant Energy and WPL do not currently believe any losses from these allegations are both probable and reasonably estimated and therefore have not recognized any related loss contingency amounts as of Sep. 30, 2009.

(13) SEGMENTS OF BUSINESS

Certain financial information relating to Alliant Energy's business segments is as follows (in millions). Intersegment revenues were not material to Alliant Energy's operations. Refer to Note 1(d) for details on WPL's acquisition of the

Neenah Energy Facility and related assets from Resources on June 1, 2009. Refer to Note 8(b) for details on a charge incurred by Alliant Energy in the third quarter of 2009 related to the repurchase of its Exchangeable Senior Notes due 2030.

	Utility Business				Non-regulated Businesses				Alliant Energy
	Electric	Gas	Other	Total	RMT	Other	Total	Other	Consolidated
Three Months Ended Sep. 30, 2009									
Operating revenues	$ 725.3	$ 39.1	$ 20.1	$ 784.5	$ 89.9	$ 12.4	$ 102.3	$ (1.1)	$ 885.7
Operating income (loss)	161.5	(2.5)	(0.9)	158.1	(1.3)	4.8	3.5	(1.7)	159.9
Amounts attributable to Alliant Energy common shareowners:									
Income (loss) from continuing operations, net of tax				89.2	(0.7)	2.0	1.3	(133.8)	(43.3)
Loss from discontinued operations, net of tax				--	--	(1.0)	(1.0)	--	(1.0)
Net income (loss) attributable to Alliant Energy common shareowners				89.2	(0.7)	1.0	0.3	(133.8)	(44.3)

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	Utility Business				Non-regulated Businesses				Alliant Energy
	Electric	Gas	Other	Total	RMT	Other	Total	Other	Consolidated
Three Months Ended Sep. 30, 2008									
Operating revenues	$ 714.0	$ 73.5	$ 30.8	$ 818.3	$ 144.4	$ 19.3	$ 163.7	$ (1.7)	$ 980.3
Operating income (loss)	174.6	(1.4)	1.1	174.3	11.7	4.2	15.9	0.3	190.5
Amounts attributable to Alliant Energy common shareowners:									
Income (loss) from continuing operations, net of tax				101.1	7.2	(0.1)	7.1	0.9	109.1
Loss from discontinued operations, net of tax				--	--	(0.6)	(0.6)	--	(0.6)

Net income (loss) attributable to Alliant Energy common shareowners				101.1	7.2	(0.7)	6.5	0.9	108.5
Nine Months Ended Sep. 30, 2009									
Operating revenues	1,901.2	361.8	69.4	2,332.4	212.4	37.1	249.5	(4.0)	2,577.9
Operating income (loss)	267.7	26.9	(0.8)	293.8	(6.6)	11.3	4.7	(2.1)	296.4
Amounts attributable to Alliant Energy common shareowners:									
Income (loss) from continuing operations, net of tax				183.8	(2.9)	4.4	1.5	(126.9)	58.4
Loss from discontinued operations, net of tax				--	--	(1.0)	(1.0)	--	(1.0)
Net income (loss) attributable to Alliant Energy common shareowners				183.8	(2.9)	3.4	0.5	(126.9)	57.4
Nine Months Ended Sep. 30, 2008									
Operating revenues	1,858.4	503.1	64.3	2,425.8	325.1	53.2	378.3	(4.4)	2,799.7
Operating income	306.8	45.3	3.1	355.2	21.8	18.2	40.0	2.4	397.6
Amounts attributable to Alliant Energy common shareowners:									
Income from continuing operations, net of tax				192.9	13.7	14.4	28.1	8.0	229.0
Income from discontinued operations, net of tax				--	--	8.4	8.4	--	8.4
Net income attributable to Alliant Energy				192.9	13.7	22.8	36.5	8.0	237.4

common
shareowners

(14) OTHER INTANGIBLE ASSETS

Emission Allowances - Purchased emission allowances and related accumulated amortization were recorded as intangible assets in "Other assets - deferred charges and other" on the Condensed Consolidated Balance Sheets 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
Purchased emission allowances	$66.1	$65.1	$58.6	$57.9	$7.5	$7.2
Accumulated amortization	12.4	0.8	9.2	0.8	3.2	--

Amortization expense for emission allowances for the three and nine months ended Sep. 30 was recorded in "Electric production fuel and purchased power" in the Condensed Consolidated Statements of Income as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
IPL	$3.0	$--	$8.4	$--
WPL	1.1	--	3.2	--
Alliant Energy	$4.1	$--	$11.6	$--

At Sep. 30, 2009, estimated amortization expense for calendar years 2009 through 2013 for purchased emission allowances was as follows (in millions):

	2009	2010	2011	2012	2013
IPL	$11.5	$12.2	$13.4	$9.3	$8.1
WPL	4.1	3.2	0.2	--	--
Alliant Energy	$15.6	$15.4	$13.6	$9.3	$8.1

(15) DISCONTINUED OPERATIONS

A summary of the components of discontinued operations in Alliant Energy's Condensed Consolidated Statements of Income for the three and nine months ended Sep. 30 is as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
Operating expenses	$--	$--	$--	$0.2
Income tax expense (benefit) (a)	1.0	0.6	1.0	(8.6)
Income (loss) from discontinued operations, net of tax	$(1.0)	$(0.6)	$(1.0)	$8.4

(a) In the second quarter of 2008, Alliant Energy reached a settlement with the IRS related to the audit of its U.S. federal income tax returns for calendar years 2002 through 2004. As a result of completing the audit and recording known adjustments for the tax returns for calendar years 2005 and 2006, Alliant Energy recorded decreases in its liabilities for unrecognized tax benefits and related interest, net of tax, and changes to its provision for income taxes including the impact of $9 million of income tax benefits allocated to its discontinued operations in the second quarter of 2008 largely related to its former Australia and China businesses.

(16) ASSET RETIREMENT OBLIGATIONS (AROs)

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

	Alliant Energy		IPL		WPL	
	2009	2008	2009	2008	2009	2008
Balance at Jan. 1	$48.4	$42.8	$30.5	$30.9	$17.9	$11.9
Liabilities incurred (a) (b)	11.9	7.1	11.9	2.5	--	4.6
Accretion expense	2.2	1.8	1.3	1.2	0.9	0.6
Revisions in estimated cash flows (a)	--	6.1	--	6.1	--	--
Liabilities settled (a)	(1.9)	(8.9)	(1.8)	(8.6)	(0.1)	(0.3)
Balance at Sep. 30	$60.6	$48.9	$41.9	$32.1	$18.7	$16.8

(a) In 2009, IPL recorded liabilities settled of $1.2 million due to expenditures for asbestos and lead remediation at its Sixth Street and Prairie Creek Generating Stations required as a result of the impacts of the severe Midwest flooding at these generating stations in June 2008. In 2008, IPL recorded changes to liabilities incurred, revisions in estimated cash flows and liabilities settled due to asbestos remediation at its Sixth Street and Prairie Creek Generating Stations as a result of the impacts of the severe Midwest flooding at these generating stations in June 2008.

(b) In 2009, IPL recorded AROs of $11.9 million related to its Whispering Willow - East wind project. In 2008, WPL recorded AROs of $4.6 million related to its Cedar Ridge wind project.

(17) VARIABLE INTEREST ENTITIES

After making an ongoing exhaustive effort, Alliant Energy and WPL concluded they were unable to obtain the information necessary from the counterparty (subsidiary of Calpine Corporation) for the Riverside PPA to determine whether the counterparty is a variable interest entity per FASB ASC Topic 810, "Consolidation," (previously FIN 46(R)) and if WPL is the primary beneficiary. This PPA is currently accounted for as an operating lease. The counterparty for the Riverside PPA sells a portion of their generating capacity to WPL and can sell their energy output to WPL. Alliant Energy's maximum exposure to loss from the Riverside PPA is undeterminable due to the inability to obtain the necessary information to complete such evaluation. Alliant Energy's (primarily WPL's) costs, excluding fuel costs, related to the Riverside PPA were $26.7 million and $54.9 million for the three and nine months ended Sep. 30, 2009 and $27.2 million and $55.4 million for the three and nine months ended Sep. 30, 2008, respectively.

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(18) RELATED PARTIES

ATC - Pursuant to various agreements, WPL receives a range of transmission services from ATC. WPL provides operation, maintenance, and construction services to ATC. WPL and ATC also bill each other for use of shared facilities owned by each party. A summary of the related amounts billed between the parties for the three and nine months ended Sep. 30 is as follows (in millions):

	Three Months		Nine Months	
	2009	2008	2009	2008
ATC billings to WPL	$20.8	$20.7	$63.0	$61.6
WPL billings to ATC	4.0	1.7	8.8	6.6

As of both Sep. 30, 2009 and Dec. 31, 2008, WPL owed ATC net amounts of $5.9 million.

Construction Services for IPL's Whispering Willow - East Wind Project - IPL engaged RMT to provide certain construction services for its Whispering Willow - East wind project. During the three and nine months ended Sep. 30, 2009, RMT billed IPL $13 million and $41 million, respectively, related to this project. As of Sep. 30, 2009, IPL owed RMT $8.2 million related to this project.

WPL's Acquisition of the Neenah Energy Facility From Resources - Refer to Note 1(d) for details of WPL's acquisition of the Neenah Energy Facility and related assets from Resources in June 2009.

(19) EARNINGS PER SHARE

A reconciliation of the weighted average common shares outstanding used in the basic and diluted earnings per weighted average common share (EPS) calculation for the three and nine months ended Sep. 30 was as follows (in thousands):

	Three Months		Nine Months	
	2009	2008	2009	2008
Weighted average common shares outstanding:				
Basic EPS calculation	110,288	110,182	110,257	110,166
Effect of dilutive share-based awards	--	131	83	147
Diluted EPS calculation	110,288	110,313	110,340	110,313

As a result of Alliant Energy incurring a loss from continuing operations for the three months ended Sep. 30, 2009, 76,205 of potential incremental common shares were excluded from the calculation of diluted EPS for that period because the effect would have been anti-dilutive. In addition, the following options to purchase shares of common stock were excluded from the calculation of diluted EPS for the three and nine months ended Sep. 30 as the exercise prices were greater than the average market price:

	Three Months		Nine Months	
	2009	2008	2009	2008
Options to purchase shares of common stock	308,458	--	363,206	--
Weighted average exercise price of options excluded	$29.31	$--	$29.06	$--

(20) CAPITAL LEASES

At Sep. 30, 2009 and Dec. 31, 2008, Alliant Energy's gross assets under its capital leases (excluding capital leases between related parties) were $8 million and $3 million, and the related accumulated amortization was $2 million and $1 million, respectively. At Sep. 30, 2009, Alliant Energy's future minimum capital lease payments were as follows (in millions):

	2009	2010	2011	2012	2013	Thereafter	Total	Less: amount representing interest	Present value of net minimum capital lease payments
Capital leases	$ --	$ 2	$ 1	$ 1	$ 1	$ 3	$ 8	$ 2	$ 6

INTERSTATE POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months	For the Nine Months

	Ended September 30, 2009	2008	Ended September 30, 2009	2008
	(in millions)			
Operating revenues:				
Electric utility	$417.9	$394.8	$1,022.7	$973.6
Gas utility	22.6	42.2	208.1	292.9
Steam and other	17.4	27.4	63.3	56.6
	457.9	464.4	1,294.1	1,323.1
Operating expenses:				
Electric production fuel and purchased power	169.6	160.4	455.6	423.4
Electric transmission service	31.4	25.4	101.3	67.9
Cost of gas sold	9.0	28.2	141.2	220.1
Other operation and maintenance	80.2	99.6	271.6	277.7
Depreciation and amortization	38.5	32.2	110.9	97.3
Taxes other than income taxes	12.6	13.9	39.0	41.8
	341.3	359.7	1,119.6	1,128.2
Operating income	116.6	104.7	174.5	194.9
Interest expense and other:				
Interest expense	20.6	14.8	56.4	44.2
Allowance for funds used during construction	(12.6)	(5.2)	(31.8)	(8.4)
Interest income	(0.3)	(0.1)	(0.7)	(0.6)
	7.7	9.5	23.9	35.2
Income before income taxes	108.9	95.2	150.6	159.7
Income taxes	36.1	32.1	16.7	46.9
Net income	72.8	63.1	133.9	112.8
Preferred dividend requirements	3.8	3.8	11.5	11.5
Earnings available for common stock	$69.0	$59.3	$122.4	$101.3

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

INTERSTATE POWER AND LIGHT COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

ASSETS	September 30, 2009	December 31, 2008
	(in millions)	
Property, plant and equipment:		
Electric plant in service	$ 3,823.7	$ 3,518.5
Gas plant in service	401.0	391.5
Steam plant in service	50.4	54.2
Other plant in service	253.8	228.7
Accumulated depreciation	(1,708.1)	(1,600.3)
Net plant	2,820.8	2,592.6
Construction work in progress:		
Whispering Willow - East wind project	432.0	189.4
Other	163.9	205.8
Other, less accumulated depreciation	24.1	18.6
	3,440.8	3,006.4
Current assets:		
Cash and cash equivalents	5.1	6.2
Accounts receivable:		
Customer, less allowance for doubtful accounts	57.1	107.1
Unbilled utility revenues	70.4	93.7
Other, less allowance for doubtful accounts	19.9	60.0
Income tax refunds receivable	101.4	48.6
Production fuel, at weighted average cost	100.0	70.0
Materials and supplies, at weighted average cost	30.0	30.4
Gas stored underground, at weighted average cost	20.5	