INTERSTATE POWER & LIGHT CO
Form 10-K
February 26, 2010

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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 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-K is separately filed by Alliant Energy Corporation, Interstate Power and Light Company and Wisconsin Power and Light Company. Information contained in the Form 10-K relating to Interstate Power and Light Company and Wisconsin Power and Light Company is filed by such registrant on its own behalf. Each of Interstate Power and Light Company and Wisconsin Power and Light Company makes no representation as to information relating to registrants other than itself.

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

	Title of Class	Name of Each Exchange on Which Registered
Alliant Energy Corporation	Common Stock, $0.01 Par Value	New York Stock Exchange
Alliant Energy Corporation	Common Share Purchase Rights	New York Stock Exchange
Interstate Power and Light Company	8.375% Series B Cumulative Preferred Stock,	New York Stock Exchange

	$0.01 Par Value	
Interstate Power and Light Company	7.10% Series C Cumulative Preferred Stock, $0.01 Par Value	New York Stock Exchange
Wisconsin Power and Light Company	4.50% Preferred Stock, No Par Value	NYSE Amex LLC

Securities registered pursuant to Section 12 (g) of the Act: Wisconsin Power and Light Company Preferred Stock (Accumulation without Par Value)

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Alliant Energy Corporation	Yes [X]	No [ ]
Interstate Power and Light Company	Yes [ ]	No [X]
Wisconsin Power and Light Company	Yes [ ]	No [X]

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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 checkmark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

The aggregate market value of the voting and non-voting common equity held by nonaffiliates as of June 30, 2009:

Alliant Energy Corporation	$2.9 billion
Interstate Power and Light Company	$ --
Wisconsin Power and Light Company	$ --

Number of shares outstanding of each class of common stock as of Jan. 29, 2010:

Alliant Energy Corporation	Common stock, $0.01 par value, 110,668,977 shares outstanding
Interstate Power and Light Company	Common stock, $2.50 par value, 13,370,788 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)
Wisconsin Power and Light Company	Common stock, $5 par value, 13,236,601 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statements relating to Alliant Energy Corporation's and Wisconsin Power and Light Company's 2010 Annual Meetings of Shareowners are, or will be upon filing with the Securities and Exchange Commission, incorporated by reference into Part III hereof.

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FORWARD-LOOKING STATEMENTS

Statements contained in this Annual Report on Form 10-K that are not of historical fact are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. 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;
- IPL's and WPL's 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 IPL's and WPL's service territories and resulting implications on sales, margins and ability to collect unpaid bills, in particular as a result of current economic conditions;
- weather effects on results of operations;
- developments that adversely impact their ability to implement their strategic plans including unanticipated issues in connection with construction and operation of IPL's and WPL's new wind generating facilities, WPL's potential purchase of the Riverside Energy Center (Riverside), and unfavorable regulatory outcomes;
- 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 IPL's and WPL's customers' demand for utility services;
- impacts that storms or natural disasters in IPL's and WPL's 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, such as the United States of America (U.S.) Environmental Protection Agency (EPA), 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;
- their ability to continue cost controls and operational efficiencies;
- potential impacts of any future laws or regulations regarding global climate change or carbon emissions reductions, including those that contain a proposed greenhouse gas (GHG) cap-and-trade program;
- 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 and solar development market and the impact of the American Recovery and Reinvestment Act of 2009, and pending legislation;
- issues related to electric transmission, including operating in Regional Transmission Organization (RTO) energy and ancillary services markets, the impacts of potential future billing adjustments from RTOs and recovery of costs incurred;
- unplanned outages, transmission constraints or operational issues impacting fossil or renewable 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;
- 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;

- 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 and negotiations, 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;
- increased retirement and benefit plan costs;
- 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;
- their 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 (MDA).

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

WEBSITE ACCESS TO REPORTS

Alliant Energy makes its periodic and current reports, and amendments to those reports, available, free of charge, on its website at www.alliantenergy.com/investors on the same day as such material is electronically filed with, or furnished to, the Securities and Exchange Commission (SEC). Alliant Energy is not including the information contained on its website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K.

PART I

This Annual Report on Form 10-K includes information relating to Alliant Energy, IPL and WPL (as well as Alliant Energy Resources, LLC (Resources) and Alliant Energy Corporate Services, Inc. (Corporate Services)). Where appropriate, information relating to a specific entity has been segregated and labeled as such. Unless otherwise noted, the information herein has been revised to exclude discontinued operations for all periods presented. Refer to Note 17 of Alliant Energy's "Notes to Consolidated Financial Statements" for information on businesses reported as discontinued operations.

ITEM 1. BUSINESS

A. GENERAL

Alliant Energy was incorporated in Wisconsin in 1981 and maintains its principal executive offices in Madison, Wisconsin. Alliant Energy operates as a regulated investor-owned public utility holding company. Alliant Energy's

primary focus is to provide regulated electricity and natural gas service to approximately 1 million electric and approximately 412,000 natural gas customers in the Midwest through its two public utility subsidiaries. The primary first tier subsidiaries of Alliant Energy are: IPL, WPL, Resources and Corporate Services. An illustration of Alliant Energy's first tier subsidiaries is shown below.

A brief description of the primary first tier subsidiaries of Alliant Energy is as follows:

1) IPL - was incorporated in 1925 in Iowa as Iowa Railway and Light Corporation. IPL is a public utility engaged principally in the generation and distribution of electric energy and the distribution and transportation of natural gas in selective markets in Iowa and southern Minnesota. In Iowa, IPL provides utility services to incorporated communities as directed by the Iowa Utilities Board (IUB) and utilizes non-exclusive franchises, which cover the use of public right-of-ways for utility facilities in incorporated communities for a maximum term of 25 years. At Dec. 31, 2009, IPL supplied electric and gas service to 525,334 and 233,841 retail customers, respectively. IPL also provides steam services to certain customers in Cedar Rapids, Iowa and various other energy-related products and services. In 2009, 2008 and 2007, IPL had no single customer for which electric, gas, steam and/or other sales accounted for 10% or more of IPL's consolidated revenues.

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2) WPL - was incorporated in 1917 in Wisconsin as Eastern Wisconsin Electric Company. WPL is a public utility engaged principally in the generation and distribution of electric energy and the distribution and transportation of natural gas in selective markets in southern and central Wisconsin. WPL operates in municipalities pursuant to permits of indefinite duration and state statutes authorizing utility operation in areas annexed by a municipality. At Dec. 31, 2009, WPL supplied electric and gas service to 453,573 and 177,968 retail customers, respectively. WPL also provides various other energy-related products and services. In 2009, 2008 and 2007, WPL had no single customer for which electric, gas and/or other sales accounted for 10% or more of WPL's consolidated revenues. WPL Transco LLC is a wholly-owned subsidiary of WPL and holds WPL's investment in the American Transmission Company LLC (ATC).

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

4) CORPORATE SERVICES - was incorporated in 1997 in Iowa. Corporate Services provides administrative services to Alliant Energy and its subsidiaries.

Refer to Note 14 of the "Notes to Consolidated Financial Statements" for further discussion of business segments, which information is incorporated herein by reference.

B. INFORMATION RELATING TO ALLIANT ENERGY ON A CONSOLIDATED BASIS

1) EMPLOYEES - At Dec. 31, 2009, Alliant Energy's consolidated subsidiaries had the following full- and part-time employees:

	Number of	Number of	Total

	Bargaining Unit Employees	Other Employees	Number of Employees	Percentage of Employees Covered by Collective Bargaining Agreements
Corporate Services	--	1,442	1,442	--
IPL	1,167	268	1,435	81%
WPL	1,203	95	1,298	93%
Resources:				
RMT	--	661	661	--
Other	84	37	121	69%
	2,454	2,503	4,957	50%

At Dec. 31, 2009, Alliant Energy employees covered by collective bargaining agreements were as follows (International Union of Operating Engineers (IUOE); International Brotherhood of Electrical Workers (IBEW)):

	Number of Employees	Contract Expiration Date
IPL:		
IBEW Local 204 (Cedar Rapids)	748	8/31/10
IUOE Local 275	12	12/1/10
IBEW Local 204 (Emery)	13	2/12/11
IBEW Local 1439	18	6/30/11
IBEW Local 1455	5	6/30/11
IBEW Local 949	229	9/30/12
IBEW Local 204 (Dubuque)	100	9/30/12
IBEW Local 204 (Mason City)	42	9/30/12
	1,167	
WPL - IBEW Local 965	1,203	5/31/11
Resources - Various	84	Various
	2,454	

2) CAPITAL EXPENDITURE AND INVESTMENT PLANS - Refer to “Liquidity and Capital Resources - Cash Flows - Investing Activities - Construction and Acquisition Expenditures” in MDA for discussion of anticipated construction and acquisition expenditures for 2010, 2011 and 2012.

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

Federal Energy Regulatory Commission (FERC) -
Public Utility Holding Company Act of 2005 (PUHCA 2005) - Alliant Energy is registered with FERC as a public utility holding company, pursuant to PUHCA 2005, and is required to maintain certain records and to report certain

transactions involving its public utilities and other entities regulated by FERC. IPL and WPL are subject to regulation by FERC under PUHCA 2005 for various issues including, but not limited to, affiliate transactions, public utility mergers, acquisitions and dispositions, issuance of securities (IPL only) and books and records requirements.

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

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

Electric Wholesale Rates - Corporate Services, as agent for both IPL and WPL, has received wholesale electric market-based rate authority from FERC. Market-based rate authorization allows for wholesale sales of electricity within the Midwest Independent Transmission System Operator (MISO) energy and ancillary services markets and in bilateral markets, based on the market value of the transactions.

Electric Transmission Rates - FERC regulates the rates charged for electric transmission facilities used in interstate commerce. Neither IPL nor WPL own or operate electric transmission facilities; however, both IPL and WPL pay for the use of the interstate electric transmission system based upon FERC-regulated rates. IPL relies primarily upon the use of the ITC Midwest LLC (ITC) transmission system. Refer to “Other Matters - Other Future Considerations - IPL’s Electric Transmission Service Charges” in MDA for additional information regarding transmission service charges from ITC, including a FERC 206 complaint filed by IPL against ITC in 2008. WPL relies primarily upon the use of the ATC transmission system.

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

Environmental - The EPA administers certain federal regulatory programs and has delegated the administration of other environmental regulatory programs to the applicable state environmental agencies. In general, the state agencies have jurisdiction over air and water quality, hazardous substances management and transportation, and solid waste management requirements. In certain cases, the state environmental agencies have delegated the administration of environmental programs to local agencies. Alliant Energy, IPL and WPL are subject to these environmental regulations as a result of their current and past operations.

IUB - IPL is subject to regulation by the IUB related to its operations in Iowa for various issues including, but not limited to, retail utility rates and standards of service, accounting requirements and approval of the location and construction of electric generating facilities.

Retail Utility Base Rates - IPL files periodic requests with the IUB for retail rate relief. These filings are based on historical test periods. The historical test periods may be adjusted for certain known and measurable capital additions placed in service by IPL within nine months from the end of the historical test period and certain known and measurable operating and maintenance expenses incurred by IPL within 12 months of the commencement of the proceeding. The IUB must decide on requests for retail rate relief within 10 months of the date of the application for which relief is filed, or the interim rates granted become permanent. Interim retail rates can be placed in effect 10 days after the rate application filing, subject to refund, and must be based on past precedent.

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

New Electric Generating Facilities - A Certificate of Public Convenience, Use and Necessity (GCU Certificate) application is required to be filed with the IUB for construction approval of any new electric generating facility located in Iowa with 25 megawatts (MW) or more of capacity.

Advance Rate Making Principles - Iowa Code §476.53 (formerly referred to as HF 577) provides Iowa utilities with rate making principles prior to making certain generation investments in Iowa. Under Iowa Code §476.53, IPL must file for, and the IUB must provide, rate making principles for electric generating facilities located in Iowa that have received construction approval including new base-load (primarily defined as nuclear or coal-fired generation) facilities with a capacity of 300 MW or more, combined-cycle natural gas-fired facilities of any size and renewable generating resources, such as wind facilities, of any size. Upon approval of rate making principles by the IUB, IPL must either build the facility under the approved rate making principles, or not at all.

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

Retail Utility Base Rates - WPL files periodic requests with the PSCW for retail rate relief. These filings are required to be based on forward-looking test periods. There is no statutory time limit for the PSCW to decide retail rate requests. However, the PSCW attempts to process base retail rate cases in approximately 10 months and has the ability to approve interim retail rate relief, subject to refund, if necessary.

Retail Commodity Cost Recovery Mechanisms -
Electric - WPL's retail electric rates are based on estimates of annual fuel-related costs (includes fuel and purchased power energy costs) anticipated during the test period. During each electric retail rate proceeding, the PSCW sets fuel monitoring ranges based on the forecasted fuel-related costs used to determine rates in such proceeding. If WPL's actual fuel-related costs fall outside these fuel monitoring ranges, the PSCW can authorize an adjustment to future retail electric rates.

The fuel monitoring ranges set by the PSCW consist of unit cost variances between monitoring levels and actual unit costs and include three different ranges based on monthly costs, cumulative costs and revised forecasted annual costs during the test-year period. In order for WPL, or others, to initiate a proceeding to change rates related to fuel-related costs during the test period, WPL, or others, must demonstrate: a) that either 1) any actual monthly costs during the test period exceeded the monthly ranges or 2) the actual cumulative costs to date during the test period exceeded the cumulative ranges; and b) that the annual projected costs (that include cumulative actual costs) for the test period also exceed the annual ranges. In December 2009, the PSCW approved an order continuing WPL's fuel monitoring ranges of plus or minus 8% for the monthly range; for the cumulative range, plus or minus 8% for the first month, plus or minus 5% for the second month, and plus or minus 2% for the remaining months of the monitoring period; and plus or minus 2% for the annual range. For fuel-only retail rate changes, the PSCW attempts to provide interim changes effective within 21 days of notice to customers. There is no statutory time limit for final fuel-only retail rate change decisions.

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

New Electric Generating Facilities - A Certificate of Authority (CA) application is required to be filed with the PSCW for construction approval of any new electric generating facility with a capacity of less than 100 MW. A Certificate of Public Convenience and Necessity (CPCN) application is required to be filed with the PSCW for construction approval of any new electric generating facility with a capacity of 100 MW or more. In addition, WPL's ownership and operation of electric generating facilities (including those located in Minnesota) to serve Wisconsin customers is subject to retail utility rate regulation by the PSCW.

In June 2008, WPL filed a CPCN application with the PSCW to construct WPL's Bent Tree - Phase I wind project, which proposed the installation of a 200 MW wind generating facility in Minnesota. In a November 2008 interim order, the PSCW interpreted the CA and CPCN statutes in relationship to constructing more than 100 MW of capacity outside of Wisconsin, an issue that is not specifically addressed in either the CA or the CPCN statute. The PSCW determined that WPL's Bent Tree - Phase I application must be reviewed under the CA statute and not the CPCN statute, and processed WPL's application as a CA application.

In August 2009, Wisconsin Industrial Energy Group, Inc. and Citizens Utility Board filed a Petition for Review with the Circuit Court of Dane County, Wisconsin seeking judicial review of: 1) the PSCW's November 2008 interim order that determined WPL's application for the Bent Tree - Phase I wind project must be reviewed under the CA statute and not the CPCN statute; and 2) the PSCW's July 2009 final order that granted WPL a CA to construct the Bent Tree - Phase I wind project. In October 2009, the PSCW filed a motion to dismiss the petition.

Advance Rate Making Principles - Wisconsin Statutes §196.371 (formerly referred to as Act 7) provides Wisconsin utilities with the opportunity to request rate making principles prior to the purchase or construction of any nuclear or fossil-fueled electric generating facility or renewable generating resource, such as a wind facility, utilized to serve Wisconsin customers. WPL is not obligated to file for or accept authorized rate making principles under Wisconsin Statutes §196.371. WPL can proceed with an approved project under traditional rate making terms.

Minnesota Public Utilities Commission (MPUC) - IPL is subject to regulation by the MPUC related to its operations in Minnesota for various issues including, but not limited to, retail utility rates and standards of service, accounting requirements, issuance and use of proceeds of securities, periodic approval of IPL's capital structure, and approval of the location and construction of electric generating facilities located in Minnesota with a capacity in excess of 50 MW.

Retail Utility Rates - Requests for retail rate relief can be based on either historical or projected data and interim retail rates are permitted. Unless otherwise ordered, the MPUC must reach a final decision within 10 months of filing for retail rate relief. In February 2010, legislation (H.R. 2798 and S. 2519) was introduced in the Minnesota legislature that would allow a utility to implement interim retail rates only when the MPUC finds an immediate and compelling necessity exists for interim rate relief. If the MPUC finds that interim rate relief is necessary, the MPUC may authorize an interim rate schedule under which the utility's revenues would be increased by an amount deemed necessary to prevent harm to the public or utility. Alliant Energy and IPL are currently unable to determine the ultimate impact of this proposed legislation on their financial condition and results of operations.

Refer to Notes 1(b), 1(h), 2 and 12(e) of Alliant Energy's "Notes to Consolidated Financial Statements;" and "Rate Matters," "Environmental Matters" and "Legislative Matters" in MDA for additional information regarding regulation and utility rate matters.

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

C. INFORMATION RELATING TO UTILITY OPERATIONS

Alliant Energy's utility business (IPL and WPL) has three segments: a) electric operations; b) gas operations; and c) other, which includes IPL's steam operations, various other energy-related products and services and the unallocated portions of the utility business. In 2009, IPL's and WPL's operating revenues and operating income (loss) by these three utility business segments were as follows:

	IPL		WPL	
	Operating Revenues	Operating Income (Loss)	Operating Revenues	Operating Income (Loss)
Electric	77%	89%	84%	87%
Gas	18%	12%	16%	15%
Other	5%	(1%)	--	(2%)
	100%	100%	100%	100%

1) ELECTRIC UTILITY OPERATIONS

General - Electric utility operations represent the largest operating segment for Alliant Energy, IPL and WPL. Alliant Energy's electric utility operations are located in the Midwest with IPL and WPL providing electric service in Iowa, southern and central Wisconsin and southern Minnesota. Refer to the "Electric Operating Information" tables for additional details regarding electric utility operations.

Jurisdictions - Electric utility revenues by state were as follows (dollars in millions):

	2009		2008		2007	
	Amount	Percent	Amount	Percent	Amount	Percent
IPL:						
Iowa	$1,242.3	50 %	$1,184.3	49 %	$1,173.0	49 %
Minnesota	73.3	3 %	74.0	3 %	75.1	3 %
Illinois (a)	--	--	--	--	22.0	1 %
Subtotal	1,315.6	53 %	1,258.3	52 %	1,270.1	53 %
WPL:						
Wisconsin	1,160.3	47 %	1,153.0	48 %	1,139.4	47 %
Illinois (a)	--	--	--	--	1.3	--
Subtotal	1,160.3	47 %	1,153.0	48 %	1,140.7	47 %
	$2,475.9	100 %	$2,411.3	100 %	$2,410.8	100 %

(a) IPL's and WPL's utility operations in Illinois were sold in February 2007.

The percentage of electric utility revenues regulated by IPL's and WPL's respective state commissions and FERC were as follows:

	IPL			WPL		
	2009	2008	2007	2009	2008	2007
Respective state commissions	95%	96%	95%	80%	84%	85%

FERC	5%	4%	5%	20%	16%	15%
	100%	100%	100%	100%	100%	100%

Customers - The number of electric customers and communities served at Dec. 31, 2009 was as follows:

	Retail Customers	Wholesale Customers	Other Customers	Total Customers	Communities Served
IPL	525,334	9	1,367	526,710	752
WPL	453,573	21	2,158	455,752	608
	978,907	30	3,525	982,462	1,360

IPL and WPL provide electric utility service to a diversified base of retail customers in several industries, with the largest concentrations in the food manufacturing, chemical (including ethanol) and paper industries. IPL's retail customers in the above table are billed under base rates established by the IUB or MPUC that include recovery of purchased electric capacity costs, electric transmission service costs and other costs required to serve customers. IPL's electric production fuel and energy purchases costs are recovered pursuant to fuel adjustment clauses. WPL's retail customers in the above table are billed under base rates established by the PSCW that include recovery of electric production fuel and purchased energy costs, purchased electric capacity costs, electric transmission service costs and other costs required to serve customers. The electric fuel rules in Wisconsin allow the PSCW to authorize rate increases/decreases if electric production fuel and energy purchases costs exceed or fall below established fuel monitoring ranges.

Wholesale customers in the above table, which primarily consist of municipalities and rural electric cooperatives, are billed under wholesale service agreements. These agreements include standardized pricing mechanisms that are detailed in tariffs approved by FERC through wholesale rate case proceedings.

In addition, IPL and WPL have bulk power customers, included in "Other customers" in the above table, that are billed according to negotiated, long-term customer-specific contracts, pursuant to FERC-approved tariffs.

Seasonality - Electric sales are seasonal to some extent with the annual peak normally occurring in the summer months due to air conditioning requirements. In 2009, the maximum peak hour demands for Alliant Energy, IPL and WPL were 5,491 MW, 2,981 MW and 2,558 MW, respectively, all on June 23, 2009.

Competition - Retail electric customers in Iowa, Wisconsin and Minnesota currently do not have the ability to choose their electric supplier. However, IPL and WPL attempt to attract new customers into their service territories in an effort to keep energy rates low for all. Although electric service in Iowa, Wisconsin and Minnesota is regulated, IPL and WPL still face competition from self-generation by large industrial customers, alternative energy sources, and petitions to municipalize (Iowa) as well as service territory expansions by municipal utilities through annexations (Wisconsin). Refer to "Other Matters - Other Future Considerations - Electric Sales Projections - Customer Owned Generation" in MDA for information on the recent construction of cogeneration facilities by two of IPL's industrial customers.

In November 2009, WPL filed a request with the PSCW for approval of a proposed economic development program to attract and retain industrial customers in WPL's service territory. If approved, the proposed program would permit WPL to provide eligible industrial customers a discounted energy rate based upon specifically-defined conditions. To be eligible for the proposed program, each customer would need to demonstrate that they were also eligible for direct governmental assistance through a local, state or federal economic development program, in addition to other criteria. The discount amounts would be limited to ensure recovery of marginal costs and would be continually decreased until a customer was paying the full tariff rate. WPL currently anticipates receiving a decision from the

PSCW regarding this filing in the first half of 2010.

Renewable Energy Standards

Iowa - Electric utilities in Iowa are required to purchase or own their proportionate share of 105 MW of capacity and associated energy from alternate energy or small hydro facilities located in the utilities' service area. IPL's proportionate share is approximately 50 MW. As of Dec. 31, 2009, IPL had met the requirements of this renewable energy standard.

Wisconsin - A Wisconsin Renewable Portfolio Standard (RPS) was established in 2006 that requires electric utilities in Wisconsin, including WPL, to increase the portion of their total Wisconsin retail electric sales supplied by renewable energy sources above a benchmark of average retail sales from renewables in 2001, 2002 and 2003. The RPS requires a 2% increase above the benchmark by 2010 and a 6% increase above the benchmark by 2015. Based on this RPS, WPL is required to supply a minimum of 6% and 10% of its total Wisconsin retail electric sales with renewable energy sources by 2010 and 2015, respectively. Wisconsin utilities may reach the RPS with renewable energy generated by the utility, acquired under purchased power agreements (PPAs), or through the use of renewable resource credits.

Minnesota - A Minnesota Renewable Energy Standard (RES) was established in 2007 that requires electric utilities operating in Minnesota, including IPL, to supply a minimum level of their total Minnesota retail electric sales with renewable energy sources by certain future dates. Based on this RES, IPL's total Minnesota retail electric sales supplied with renewable energy sources must be at least 12% by 2012; 17% by 2016; 20% by 2020; and 25% by 2025. Utilities in Minnesota may meet the requirements of the RES with renewable energy generated by the utility, renewable energy acquired under PPAs or the use of renewable resource credits.

Refer to "Strategic Overview - Utility Generation Plans" in MDA for discussion of Alliant Energy's utility generation plan, which includes additional supply from wind generation that is expected to contribute towards meeting renewable energy requirements discussed above.

Energy Conservation - With increased emphasis on energy conservation as a matter of public policy, IPL and WPL are continuing and, where appropriate, expanding initiatives to promote energy conservation and enhance customers' ability to manage their energy use more efficiently. Refer to "Strategic Overview - Energy Efficiency Programs" in MDA for discussion of current energy efficiency programs at IPL and WPL.

Electric Supply - Alliant Energy has met historical customer demand of electricity and expects to continue meeting future demand through internally generated electric supply, electric supply from long-term PPAs and additional electric supply purchases from wholesale energy markets. Alliant Energy's mix of electric supply experienced changes in 2009 with WPL's purchase of the Neenah Energy Facility and the completion of IPL's Whispering Willow - East wind project. Alliant Energy expects its mix of electric supply to change further in the next few years with plans for the construction of additional wind generating facilities and the purchase of Riverside in Beloit, Wisconsin. IPL and WPL are currently updating their generation plans to identify longer term generation needs for both utilities. These long-term generation plans are intended to meet customer demand, reduce reliance on PPAs and mitigate the impacts of future plant retirements while maintaining compliance with long-term electric demand planning reserve margins established by regulators. Alliant Energy currently expects to meet utility customer demands in the future. However, unanticipated regional or local reliability issues could still arise in the event of unexpected delays in the construction of new generating and/or transmission facilities, retirement of generating facilities, generating facility outages, transmission system outages or extended periods of extreme weather conditions. Refer to the "Electric Operating Information" tables for a profile of the sources of electric supply used to meet customer demand for Alliant Energy, IPL and WPL from 2005 to 2009. Refer to "Strategic Overview - Utility Generation Plans" in MDA for details of

Alliant Energy's future utility generation plan.

Electric Demand Planning Reserve Margin (PRM) - IPL and WPL are required to maintain a PRM above their projected annual peak demand forecast to help ensure reliability of electric service to their customers. WPL is required to maintain a 14.5% PRM for long-term planning (planning years two through 10) and a PRM established by MISO for short-term planning. PRM requirements for IPL follow MISO's reserve requirements. IPL and WPL currently have adequate capacity to meet the MISO PRM requirements.

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

Generating Capacity - The generating capacity of IPL's and WPL's electric generating facilities is based upon MISO's resource adequacy process, which uses the unforced capacity of the generating facilities. The generating capacity for the June 2009 to May 2010 planning period by fuel type in MWs was as follows:

	IPL	WPL	Total
Coal	1,590	1,231	2,821
Natural gas	822	628	1,450
Oil	292	--	292
Wind (a)	40	14	54
Hydro	--	27	27
Total	2,744	1,900	4,644

(a) Represents 20% of the capacity of wind projects owned by IPL and WPL based upon the MISO resource adequacy process for wind projects for the planning period from June 2009 to May 2010. As of Dec. 31, 2009, wind projects owned by Alliant Energy included IPL's 200 MW Whispering Willow - East wind project in Franklin County, Iowa and WPL's 68 MW Cedar Ridge wind project in Fond du Lac County, Wisconsin.

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

	IPL			WPL		
	2009	2008	2007	2009	2008	2007
All fuels	$2.29	$2.09	$2.35	$2.13	$2.06	$1.97
Coal	1.56	1.58	1.35	2.02	1.93	1.69
Natural gas (a)	13.31	8.18	9.21	18.53	8.64	13.86

(a) The average cost of natural gas is impacted by gains and losses from swap contracts used to hedge the price of natural gas volumes expected to be used by Alliant Energy's natural gas-fired electric generating facilities.

Coal - Coal is the primary fuel source for Alliant Energy's, IPL's and WPL's internally generated electric supply and generally represents approximately 50% of their total sources of electric energy. Alliant Energy, through Corporate Services as agent for IPL and WPL, has entered into contracts with different suppliers to help ensure that a specified supply of coal is available at known prices for IPL's and WPL's coal-fired generating facilities for 2010 through 2012. As of Dec. 31, 2009, existing contracts provide for a portfolio of coal supplies that cover approximately 91%, 62%, and 6% of Alliant Energy's estimated coal supply needs for 2010, 2011 and 2012, respectively. Alliant Energy believes this portfolio of coal supplies represents a reasonable balance between the risks of insufficient supplies and those associated with being unable to respond to future coal market changes. Alliant Energy expects to meet remaining coal requirements from either future contracts or purchases in the spot market. Alliant Energy, through its

subsidiaries Corporate Services, IPL and WPL, also enters into various coal transportation contracts to meet its coal supply agreements. As of Dec. 31, 2009, existing coal transportation agreements cover approximately 80%, 67%, 67%, 47%, and 47% of Alliant Energy's estimated coal transportation needs for 2010 through 2014, respectively.

The majority of the coal utilized by IPL and WPL is from the Wyoming Powder River Basin. A majority of this coal is transported by rail-car directly from Wyoming to IPL's and WPL's generating stations, with the remainder transported from Wyoming to the Mississippi River by rail-car and then via barges to the final destination. As protection against interruptions in coal deliveries, IPL and WPL strive to maintain average coal inventory supply targets of 25 to 50 days for generating stations with year-round deliveries and 30 to 150 days (depending upon the time of year) for generating stations with seasonal deliveries. Actual inventory averages for 2009 were 82 days for generating stations with year-round deliveries and 210 days for generating stations with seasonal deliveries. The average days on hand were computed based on actual tons of inventory divided by average daily tons burned in 2009. Average days on hand increased in 2009 primarily due to lower coal volumes burned as a result of reduced generation needed to serve the lower sales volumes in 2009. Alliant Energy periodically tests coal from sources other than the Wyoming Powder River Basin to determine which alternative sources of coal are most compatible with its generating stations. Access to alternative sources of coal is expected to provide Alliant Energy with further protection against interruptions and lessen its dependence on its primary coal source.

Average delivered fossil fuel costs are expected to increase in the future due to price structures and adjustment provisions in existing coal contracts, rate structures and adjustment provisions in existing transportation contracts, fuel-related surcharges incorporated by transportation carriers and recent coal and transportation market trends. Existing coal commodity contracts with terms of greater than one year have fixed future year prices that generally reflect recent market trends. A few of Alliant Energy's existing coal contracts have provisions for price adjustments should specific indices change. Rate adjustment provisions in older transportation contracts are primarily based on changes in the Rail Cost Adjustment Factor as published by the U.S. Surface Transportation Board. Rate adjustment provisions in more recent transportation contracts are based on changes in the All Inclusive Index Less Fuel as published by the Association of American Railroads. These more recent transportation contracts also contain fuel surcharges that are subject to change monthly based on changes in diesel fuel prices. Other factors that may impact coal prices for future commitments are increasing costs for supplier mineral rights, increasing costs to mine the coal and changes in various associated laws and regulations. For example, emission restrictions related to sulfur dioxide (SO2), nitrogen oxide (NOx) and mercury, along with other environmental limitations on generating stations, continue to increase and will likely limit the ability to obtain, and further increase the cost of, adequate coal supplies. Factors that may impact future transportation rates include, but are not limited to: the need for railroads to enhance/expand infrastructure for demand growth, corresponding investments in locomotives and the desire to improve margins on coal movements commensurate with margins on non-coal movements.

Given its current coal procurement process, the specific coal market in its primary purchase region and regulatory cost-recovery mechanisms, Alliant Energy believes it is reasonably insulated against coal price volatility. Alliant Energy's coal procurement process stresses periodic purchases, staggering of contract terms, stair-stepped levels of supply going forward for multiple years and supplier diversity. Similarly, given the term lengths of its transportation agreements, Alliant Energy believes it is reasonably insulated against future higher coal transportation rates from the major railroads.

Natural Gas - Alliant Energy owns several natural gas-fired generating facilities including IPL's 565 MW Emery Generating Station, WPL's 300 MW Neenah Energy Facility and Resources' 300 MW Sheboygan Falls Energy Facility. WPL has exclusive rights to the output of the Sheboygan Falls Energy Facility under an affiliated lease agreement. These facilities help meet customer demand for electricity generally during peak hour demands. Internally generated electric supply from natural gas-fired generating facilities generally represent less than 5% of Alliant Energy's, IPL's and WPL's total sources of electric energy. Refer to Note 1(e) of Alliant Energy's "Notes to Consolidated Financial Statements" for additional information on WPL's purchase of the Neenah Energy Facility from Resources in June 2009.

Alliant Energy has responsibility to supply natural gas to the generating facilities it owns as well as Riverside, which WPL has rights to under a PPA. WPL has contracts with several companies to provide fixed-price natural gas supply for these generating facilities with the longest contracts having terms through August 2010. WPL has also contracted with ANR Pipeline to provide firm pipeline transportation of 60,000 dekatherms (Dths) per day for Riverside and 2 million Dths of storage capacity for WPL's natural gas-fired generating facilities. IPL has also contracted with Northern Border Pipeline to provide firm pipeline transportation of 50,000 Dths per day for the Emery Generating Station through March 2010.

Nuclear - In January 2006, IPL sold its interest in the Duane Arnold Energy Center (DAEC) to a subsidiary of FPL Group, Inc. (FPL) and upon closing of the sale entered into a PPA with FPL to purchase energy and capacity from DAEC through February 2014. In July 2005, WPL sold its interest in the Kewaunee Nuclear Power Plant (Kewaunee) to a subsidiary of Dominion Resources, Inc. (Dominion) and upon closing of the sale entered into a long-term PPA with Dominion to purchase energy and capacity from Kewaunee through December 2013. As a result of these transactions, Alliant Energy no longer has an ownership interest in any nuclear generating facilities. Alliant Energy entered into these transactions to reduce the financial and operational uncertainty associated with nuclear generating facility ownership and operations while still retaining the benefit of the output from such nuclear generating facilities.

Wind - IPL's 200 MW Whispering Willow - East wind project in Franklin County, Iowa began commercial operation in the fourth quarter of 2009. WPL's 68 MW Cedar Ridge wind project in Fond du Lac County, Wisconsin began commercial operation in the fourth quarter of 2008. Whispering Willow - East and Cedar Ridge are the first fully owned and operated wind projects for IPL and WPL, respectively. Refer to "Strategic Overview - Utility Generation Plans" in MDA for discussion of additional wind projects included in the Utility Generation Plans.

Purchased Power - IPL and WPL enter into PPAs and purchase electricity from wholesale energy markets to meet a portion of their customer demand for electricity. Purchased power represented almost 50% of Alliant Energy's, IPL's and WPL's total sources of electric energy in 2009. IPL's most significant PPA is with FPL for the purchase of energy and capacity from DAEC through February 2014. WPL's most significant PPAs are with Dominion for the purchase of energy and capacity from Kewaunee through December 2013 and with a subsidiary of Calpine Corporation for the purchase of energy and capacity from Riverside through May 2013.

Refer to Note 1(h) for discussion of IPL's and WPL's rate recovery of electric production fuel and purchased energy costs, Note 3(a) for details regarding PPAs accounted for as operating leases and Note 12(b) for details on IPL's and WPL's coal, natural gas and other purchased power commitments in Alliant Energy's "Notes to Consolidated Financial Statements."

Electric Transmission -
IPL - IPL completed the sale of its electric transmission assets located in Iowa, Minnesota and Illinois to ITC in 2007. IPL sold its electric transmission assets in order to monetize the value of the assets to help fund future capital expenditures, to capture tax benefits under federal tax policy that allows deferral of gains on sales of qualifying electric transmission assets completed prior to Jan. 1, 2008 (based on regulations at the time of the sale) and to promote regional transmission expansion that is expected to improve transmission reliability and access for its customers in Iowa and Minnesota. ITC is an independent for-profit, transmission-only company and is a transmission-owning member of the MISO RTO, Midwest Reliability Organization and Reliability First Corporation Regional Entities. ITC has transmission interconnections at various locations with other transmission owning utilities in the Midwest. These interconnections enhance the overall reliability of the IPL delivery system and provide access to multiple sources of economic and emergency energy. IPL currently receives substantially all its transmission services from ITC. The annual transmission service rates that ITC charge its customers is calculated each calendar

year using a FERC-approved cost of service formula rate template referred to as Attachment O. Refer to "Other Matters - Other Future Considerations - IPL's Electric Transmission Service Charges" in MDA for additional information regarding transmission services charges from ITC including a FERC 206 complaint filed by IPL against ITC in 2008.

WPL - WPL transferred its transmission assets to ATC in 2001 in exchange for an ownership interest in ATC. As of Dec. 31, 2009, WPL held a 16% ownership interest in ATC with a carrying value of $219 million. WPL currently anticipates making capital contributions of $3 million, $4 million and $3 million to ATC in 2010, 2011 and 2012, respectively, to maintain its current ownership percentage. During 2009, ATC distributed to WPL, in the form of dividends, $29 million or approximately 80% of WPL's equity earnings from ATC. Although no assurance can be given, WPL anticipates ATC will continue this dividend payout ratio in the future. ATC is an independent for-profit, transmission-only company and is a transmission-owning member of the MISO RTO, Midwest Reliability Organization and Reliability First Corporation Regional Entities. ATC has transmission interconnections with various other transmission owning utilities in the Midwest. These interconnections enhance the overall reliability of the WPL delivery system and provide access to multiple sources of economic and emergency energy. WPL currently receives substantially all its transmission services from ATC. Refer to Note 20 of Alliant Energy's "Notes to Consolidated Financial Statements" for details of agreements between ATC and WPL.

MISO Markets - IPL and WPL are members of MISO, a FERC-approved RTO, which is responsible for monitoring and ensuring equal access to the transmission system in their service territories. IPL and WPL participate in the wholesale energy market and ancillary services markets operated by MISO, which are discussed in more detail below.

Wholesale Energy Market - IPL and WPL began participation in the wholesale energy market operated by MISO in 2005. The market impacts the way IPL and WPL buy and sell wholesale electricity, obtain transmission services, schedule generation and ensure resource adequacy to reliably serve load. In the market, IPL and WPL submit day-ahead and/or real-time bids and offers for energy at locations across the MISO region. MISO evaluates IPL's, WPL's and other market participants' energy injections into, and withdrawals from, the system to economically dispatch the entire MISO system on an hourly basis. MISO settles these hourly offers and bids based on locational marginal prices, which are market-driven values based on the specific time and location of the purchase and/or sale of energy. The market is intended to send price signals to stakeholders where generation or transmission system expansion is needed. This market-based approach is expected to result in lower overall costs in areas with abundant transmission capacity. In addition, MISO may dispatch generators that support reliability needs, but which would not have operated based on economic needs. In these cases, MISO's settlement assures that these generators are made whole financially for variable costs.

Financial Transmission Rights (FTRs) and Auction Revenue Rights (ARRs) - In areas of constrained transmission capacity, such as Wisconsin, costs could be higher due to congestion and its impact on locational marginal prices. As part of the MISO market restructuring in 2005, physical transmission rights of IPL and WPL were replaced with FTRs. FTRs provide a hedge for congestion costs that occur in the MISO day-ahead energy market. Both IPL and WPL are allocated ARRs from MISO each year based on historical use of the transmission system. The revenues from these ARRs are used by IPL and WPL to acquire FTRs through the FTR auctions operated by MISO. IPL's and WPL's current FTRs acquired from ARRs extend through May 31, 2010. MISO re-allocates ARRs annually based on a fiscal year from June 1 through May 31. Based on the FTRs awarded to IPL and WPL to-date and future expected allocations of ARRs, along with the expected regulatory recovery treatment of MISO costs, the financial impacts associated with FTRs have not differed significantly from the financial impacts associated with physical transmission rights that existed prior to the MISO wholesale energy market.

Ancillary Services Market - In January 2009, MISO launched an ancillary services market, which integrates the procurement and use of regulation and contingency reserves with the existing wholesale energy market implemented in 2005. Regulation refers to the moment-to-moment changes in generation that are necessary to meet changes in electricity demand. Contingency reserves refer to additional generation or demand response resources, either on-line or that can be brought on-line within 10 minutes, to meet certain major events such as the loss of a large generating unit or transmission line. MISO plans to address in 2011 refinements to its ancillary services market requested by market participants.

MISO Revenue Sufficiency Guarantee (RSG) Settlements - In 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 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. In 2009, IPL and WPL received $2 million and $1 million, respectively, of net benefits from the two resettlements, including interest.

MISO and PJM Interconnection, LLC (PJM) Market Flow Corrections - In August 2009, MISO and PJM disclosed an error in the calculation of market flow data between the two independent system operators that began in 2005. The error resulted in incorrect payments between MISO and PJM during 2005 through 2009. Because IPL and WPL participated in both the MISO and PJM markets during the period of the error, IPL and WPL may be entitled to refunds or may be required to make additional payments to the two independent system operators. MISO and PJM are currently in settlement discussions regarding this matter. IPL and WPL are currently unable to predict the ultimate resolution of this matter. However, the net impact of payments to or refunds from these two independent system operations to resolve this matter is not expected to have a material adverse impact on IPL's or WPL's financial condition and results of operation.

Electric Environmental Matters - Alliant Energy is subject to environmental regulations issued by federal, state and local agencies. Such regulations are the result of a number of environmental laws passed by the U.S. Congress, state legislatures and local governments and enforced by federal, state and local regulatory agencies. The laws impacting Alliant Energy's electric operations include, but are not limited to, the Safe Drinking Water Act; Clean Water Act; Clean Air Act (CAA); National Environmental Policy Act of 1969; Toxic Substances Control Act; Resource Conservation and Recovery Act; Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act and Emergency Planning and Community Right-to-Know Act of 1986; Endangered Species Act; Occupational Safety and Health Act; National Energy Policy Act, as amended; Federal Insecticide, Fungicide and Rodenticide Act; Hazardous Materials Transportation Act; Pollution Prevention Act; and Department of Homeland Security Appropriations Act. Alliant Energy regularly obtains federal, state and local permits to assure compliance with environmental protection laws and regulations. Costs associated with such compliance have increased in recent years and are expected to continue to increase in the future. Alliant Energy anticipates these prudently incurred costs for IPL and WPL will be recoverable through future rate case proceedings. Refer to "Environmental Matters" and "Legislative Matters" in MDA and Note 12(e) of Alliant Energy's "Notes to Consolidated Financial Statements" for further discussion of electric environmental matters including current or proposed environmental regulations under the Clean Air Interstate Rule, Clean Air Visibility Rule, Utility Maximum Available Control Technology (MACT) Rule, Wisconsin State Mercury Rule, Wisconsin Reasonably Available Control Technology Rule, Ozone National Ambient Air Quality Standards (NAAQS) Rule, Fine Particle NAAQS Rule, Nitrogen Dioxide NAAQS Rule, SO2 NAAQS Rule, Industrial Boiler and Process Heater MACT Rule, Federal Clean Water Act including Section 316(b), Wisconsin State Thermal Rule, Coal Combustion By-products and various legislation and EPA regulations to monitor and regulate the emission of

GHG including the EPA Mandatory GHG Reporting Rule, GHG Endangerment and Cause or Contribute Finding and GHG Tailoring Rule. Refer to “Strategic Overview - Environmental Compliance Plans” in MDA for details of Alliant Energy’s, IPL’s and WPL’s future environmental compliance plans to adhere to environmental regulations.

Alliant Energy Corporation

Electric Operating Information	2009	2008	2007	2006	2005
Operating Revenues (in millions) (a):					
Residential	$ 868.6	$ 844.7	$ 847.5	$ 857.1	$ 823.4
Commercial	556.8	537.5	535.2	549.8	497.4
Industrial	710.7	734.7	731.9	763.7	675.2
Retail subtotal	2,136.1	2,116.9	2,114.6	2,170.6	1,996.0
Sales for resale:					
Wholesale	190.1	201.9	179.8	145.2	158.7
Bulk power and other	98.3	31.1	56.7	68.5	114.6
Other (includes wheeling)	51.4	61.4	59.7	58.7	51.3
Total	$ 2,475.9	$ 2,411.3	$ 2,410.8	$ 2,443.0	$ 2,320.6
Electric Sales (000s megawatt-hours (MWh)) (a):					
Residential	7,532	7,664	7,753	7,670	7,881
Commercial	6,108	6,181	6,222	6,187	6,110
Industrial	10,948	12,490	12,692	12,808	12,830
Retail subtotal	24,588	26,335	26,667	26,665	26,821
Sales for resale:					
Wholesale	3,251	3,813	3,547	3,064	3,161
Bulk power and other	2,583	983	2,550	2,632	2,933
Other	155	164	167	171	173
Total	30,577	31,295	32,931	32,532	33,088
Customers (End of Period) (a):					
Residential	840,927	840,644	840,122	855,948	849,845
Commercial	135,099	134,536	134,235	135,822	134,149
Industrial	2,881	2,934	2,964	3,064	3,044
Other	3,555	3,534	3,529	3,391	3,368
Total	982,462	981,648	980,850	998,225	990,406
Other Selected Electric Data:					
Maximum peak hour demand (MW)	5,491	5,491	5,751	5,989	5,932
Cooling degree days (b):					
Cedar Rapids, Iowa (IPL) (normal - 779)	406	583	846	765	891
	368	538	781	637	847

Madison, Wisconsin (WPL) (normal - 642)					
Sources of electric energy (000s MWh):					
Coal	15,321	17,495	18,643	17,578	17,360
Purchased power:					
Nuclear (c)	5,428	5,465	5,103	5,128	1,008
Wind	957	853	872	840	823
Other	8,585	7,013	7,426	8,088	9,062
Gas	661	1,037	1,894	1,541	2,052
Wind	222	30	-	-	-
Nuclear (c)	-	-	-	264	3,461
Other	180	215	309	263	297
Total	31,354	32,108	34,247	33,702	34,063
Revenue per kilowatt-hour (KWh) sold to retail customers (cents)	8.69	8.04	7.93	8.14	7.44

(a) In February 2007, Alliant Energy sold its electric distribution properties in Illinois. At the date of the sale, Alliant Energy had approximately 22,000 electric retail customers in Illinois. Prior to the asset sales, the electric sales to retail customers in Illinois are included in residential, commercial and industrial sales in the tables above. Following the asset sales, any electric sales associated with these customers are included in wholesale electric sales.

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

(c) In January 2006 and July 2005, IPL and WPL sold their respective interests in DAEC and Kewaunee and upon closing of the sales entered into long-term purchased power agreements to purchase energy and capacity from DAEC and Kewaunee, respectively.

Interstate Power and Light Company

Electric Operating Information	2009	2008	2007	2006	2005
Operating Revenues (in millions) (a):					
Residential	$ 478.9	$ 455.2	$ 451.2	$ 471.2	$ 453.9
Commercial	336.8	319.4	316.2	337.4	300.0
Industrial	412.5	407.0	402.0	440.7	387.0
Retail subtotal	1,228.2	1,181.6	1,169.4	1,249.3	1,140.9
Sales for resale:					
Wholesale	23.5	23.4	21.3	1.9	1.9
Bulk power and other	37.3	21.1	42.2	47.8	73.5
Other (includes wheeling)	26.6	32.2	37.2	32.6	30.4
Total	$ 1,315.6	$ 1,258.3	$ 1,270.1	$ 1,331.6	$ 1,246.7

Electric Sales (000s MWh) (a):					
Residential	4,113	4,218	4,204	4,157	4,282
Commercial	3,851	3,911	3,912	3,910	3,836
Industrial	6,829	7,742	7,750	7,860	8,005
Retail subtotal	14,793	15,871	15,866	15,927	16,123
Sales for resale:					
Wholesale	403	449	406	35	41
Bulk power and other	901	682	1,581	1,550	1,682
Other	84	90	93	99	98
Total	16,181	17,092	17,946	17,611	17,944
Customers (End of Period) (a):					
Residential	443,615	443,589	444,974	455,346	454,176
Commercial	79,805	79,508	79,473	81,045	80,238
Industrial	1,914	1,939	1,954	2,018	1,996
Other	1,376	1,381	1,398	1,299	1,317
Total	526,710	526,417	527,799	539,708	537,727
Other Selected Electric Data:					
Maximum peak hour demand (MW)	2,981	2,943	3,085	3,070	3,077
Cooling degree days (b):					
Cedar Rapids, Iowa (normal - 779)	406	583	846	765	891
Sources of electric energy (000s MWh):					
Coal	8,162	9,517	10,547	9,919	9,782
Purchased power:					
Nuclear (c)	3,577	3,619	3,066	3,297	-
Wind	571	616	656	644	632
Other	3,744	2,538	2,445	3,099	3,236
Gas	636	983	1,778	1,426	1,686
Wind	42	-	-	-	-
Nuclear (c)	-	-	-	264	3,177
Other	16	23	127	80	121
Total	16,748	17,296	18,619	18,729	18,634
Revenue per KWh sold to retail customers (cents)	8.30	7.45	7.37	7.84	7.08

(a) In February 2007, IPL sold its electric distribution properties in Illinois. At the date of the sale, IPL had approximately
13,000 electric retail customers in Illinois. Prior to the asset sale, the electric sales to retail customers in Illinois are included in residential, commercial and industrial sales in the tables above. Following the asset sale, any electric sales
associated with these customers are included in wholesale electric sales.
(b) Cooling degree days are calculated using a simple average of the high and low temperatures each day compared to a

65 degree base. Normal degree days are calculated using a rolling 20-year average of historical cooling degree days.

(c) In January 2006, IPL sold its interest in DAEC and upon closing of the sale entered into a long-term purchased power agreement to purchase energy and capacity from DAEC.

Wisconsin Power and Light Company

Electric Operating Information	2009	2008	2007	2006	2005
Operating Revenues (in millions) (a):					
Residential	$ 389.7	$ 389.5	$ 396.3	$ 385.9	$ 369.5
Commercial	220.0	218.1	219.0	212.4	197.4
Industrial	298.2	327.7	329.9	323.0	288.2
Retail subtotal	907.9	935.3	945.2	921.3	855.1
Sales for resale:					
Wholesale	166.6	178.5	158.5	143.3	156.8
Bulk power and other	61.0	10.0	14.5	20.7	41.1
Other	24.8	29.2	22.5	26.1	20.9
Total	$ 1,160.3	$ 1,153.0	$ 1,140.7	$ 1,111.4	$ 1,073.9
Electric Sales (000s MWh) (a):					
Residential	3,419	3,446	3,549	3,513	3,599
Commercial	2,257	2,270	2,310	2,277	2,274
Industrial	4,119	4,748	4,942	4,948	4,825
Retail subtotal	9,795	10,464	10,801	10,738	10,698
Sales for resale:					
Wholesale	2,848	3,364	3,141	3,029	3,120
Bulk power and other	1,682	301	969	1,082	1,251
Other	71	74	74	72	75
Total	14,396	14,203	14,985	14,921	15,144
Customers (End of Period) (a):					
Residential	397,312	397,055	395,148	400,602	395,669
Commercial	55,294	55,028	54,762	54,777	53,911
Industrial	967	995	1,010	1,046	1,048
Other	2,179	2,153	2,131	2,092	2,051
Total	455,752	455,231	453,051	458,517	452,679
Other Selected Electric Data:					
Maximum peak hour demand (MW)	2,558	2,583	2,816	2,941	2,854
Cooling degree days (b):					

Madison, Wisconsin (normal - 642)	368	538	781	637	847
Sources of electric energy (000s MWh):					
Coal	7,159	7,978	8,096	7,659	7,578
Purchased power:					
Nuclear (c)	1,851	1,846	2,037	1,831	1,008
Wind	386	237	216	196	191
Other	4,841	4,475	4,981	4,989	5,826
Gas	25	54	116	115	366
Wind	180	30	-	-	-
Nuclear (c)	-	-	-	-	284
Other	164	192	182	183	176
Total	14,606	14,812	15,628	14,973	15,429
Revenue per KWh sold to retail customers (cents)	9.27	8.94	8.75	8.58	7.99

(a) In February 2007, WPL sold its electric distribution properties in Illinois. At the date of the sale, WPL had approximately 9,000 electric retail customers in Illinois. Prior to the asset sale, the electric sales to retail customers in Illinois are included in residential, commercial and industrial sales in the tables above. Following the asset sale, any electric sales associated with these customers are included in wholesale electric sales.

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

(c) In July 2005, WPL sold its interest in Kewaunee and upon closing of the sale entered into a long-term purchased power agreement to purchase energy and capacity from Kewaunee.

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2) GAS UTILITY OPERATIONS

General - Gas utility operations represent the second largest operating segment for Alliant Energy, IPL and WPL. Alliant Energy's gas utility operations are located in the Midwest with IPL and WPL providing gas service in Iowa, southern and central Wisconsin and southern Minnesota. Refer to the "Gas Operating Information" tables for additional details regarding gas utility operations.

Jurisdictions - Gas utility revenues by state were as follows (dollars in millions):

	2009		2008		2007	
	Amount	Percent	Amount	Percent	Amount	Percent
IPL:						
Iowa	$295.2	56 %	$390.4	55 %	$345.6	55 %
Minnesota	13.6	3 %	20.0	3 %	17.4	3 %
Illinois (a)	--	--	--	--	1.5	--
Subtotal	308.8	59 %	410.4	58 %	364.5	58 %
WPL:						
Wisconsin	216.5	41 %	300.0	42 %	263.7	42 %
Illinois (a)	--	--	--	--	2.0	--
Subtotal	216.5	41 %	300.0	42 %	265.7	42 %
	$525.3	100 %	$710.4	100 %	$630.2	100 %

(a) IPL's and WPL's utility operations in Illinois were sold in February 2007.

Customers - The number of gas customers and communities served at Dec. 31, 2009 were as follows:

	Retail Customers	Transportation / Other Customers	Total Customers	Communities Served
IPL	233,841	242	234,083	243
WPL	177,968	221	178,189	236
	411,809	463	412,272	479

In addition to sales of natural gas to retail customers, IPL and WPL provide transportation service to commercial and industrial customers by moving customer-owned gas through Alliant Energy's distribution systems to the customers' meters. Revenues are collected for this service pursuant to transportation tariffs.

Seasonality - Gas sales follow a seasonal pattern with an annual base-load of gas and a large heating peak occurring during the winter season. Natural gas obtained from producers, marketers and brokers, as well as gas in storage, is utilized to meet the peak heating season requirements. Storage contracts allow IPL and WPL to purchase gas in the summer, store the gas in underground storage fields and deliver it in the winter.

Competition - Federal and state regulatory policies are in place to bring more competition to the gas industry. While the gas utility distribution function is expected to remain a regulated function, sales of the natural gas commodity and related services are subject to competition from third parties. It remains uncertain if, and when, the current economic disincentives for smaller consumption customers to choose an alternative gas commodity supplier may be removed such that the utility business begins to face competition for the sale of gas to those customers.

Gas Supply - IPL and WPL maintain purchase agreements with over 40 suppliers of natural gas from various gas producing regions of the U.S. and Canada. The majority of the gas supply contracts are for terms of six months or less, with the remaining supply contracts having terms through March 2011. IPL's and WPL's gas supply commitments are primarily market-based.

In providing gas commodity service to retail customers, Corporate Services administers a diversified portfolio of transportation and storage contracts on behalf of IPL and WPL. Transportation contracts with Northern Natural Gas Company (NNG), ANR Pipeline (ANR), Natural Gas Pipeline Co. of America (NGPL), Northern Border Pipeline (NBPL) and Guardian Pipeline (Guardian) allow access to gas supplies located in the U.S. and Canada. Arrangements with Firm Citygate Supplies (FCS) provide IPL with gas delivered directly to its service territory. In 2009, the maximum daily delivery capacity for IPL and WPL was as follows (in Dths):

	NNG	ANR	NGPL	FCS	NBPL	Guardian	Total
IPL	186,469	53,180	42,618	15,000	14,085	--	311,352
WPL	83,056	177,467	--	--	--	10,000	270,523

FERC Investigation of Pipeline Tariffs - In November 2009, FERC initiated proceedings to investigate the rates of return that NNG, Great Lakes Pipeline and NGPL earned in 2008. FERC used data from annual filings made by interstate pipelines to estimate the rate of return that all U.S. pipelines earned in 2008 and concluded that these three pipelines may have earned rates of return exceeding 20%. The purpose of the proceeding is to determine whether the tariff rates charged by these pipelines are set too high. By law, there will be no retroactive refunds as a result of these

proceedings. However, the proceedings may result in changes to tariff rates charged by these pipelines in the future. Any change in tariff rates charged by these pipelines in the future is expected to be passed on to IPL's and WPL's gas customers through their respective natural gas cost recovery mechanisms. FERC anticipates issuing a ruling regarding these proceedings in late 2010.

Refer to Note 1(h) for information relating to utility natural gas cost recovery mechanisms and Note 12(b) for discussion of natural gas commitments in Alliant Energy's "Notes to Consolidated Financial Statements."

Gas Environmental Matters - Alliant Energy is subject to environmental regulations by federal, state and local agencies. Such regulations are the result of a number of environmental laws passed by the U.S. Congress, state legislatures and local governments and enforced by federal, state and local regulatory agencies. The laws impacting Alliant Energy's gas operations include, but are not limited to, the Safe Drinking Water Act; Clean Water Act; National Environmental Policy Act of 1969; Toxic Substances Control Act; Resource Conservation and Recovery Act; Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act and Emergency Planning and Community Right-to-Know Act of 1986; Endangered Species Act; Occupational Safety and Health Act; National Energy Policy Act, as amended; Federal Insecticide, Fungicide and Rodenticide Act; Hazardous Materials Transportation Act; and Pollution Prevention Act. Alliant Energy regularly obtains federal, state and local permits to assure compliance with environmental protection laws and regulations. Costs associated with such compliance have increased in recent years and are expected to continue to increase in the future. Alliant Energy anticipates these prudently incurred costs for IPL and WPL will be recoverable through future rate case proceedings. Refer to Note 12(e) of Alliant Energy's "Notes to Consolidated Financial Statements" for discussion of gas environmental matters.

Alliant Energy Corporation

Gas Operating Information	2009	2008	2007	2006	2005
Operating Revenues (in millions) (a):					
Residential	$ 290.8	$ 385.0	$ 348.6	$ 342.8	$ 358.1
Commercial	174.7	240.5	199.0	198.8	202.0
Industrial	30.7	51.1	39.4	38.7	43.8
Retail subtotal	496.2	676.6	587.0	580.3	603.9
Interdepartmental	4.9	7.8	17.4	19.2	55.9
Transportation/other	24.2	26.0	25.8	33.8	25.3
Total	$ 525.3	$ 710.4	$ 630.2	$ 633.3	$ 685.1
Gas Sales (000s Dths) (a):					
Residential	27,711	30,630	28,137	26,406	28,554
Commercial	20,725	22,461	19,417	18,707	18,763
Industrial	4,558	5,558	4,694	4,498	4,406
Retail subtotal	52,994	58,649	52,248	49,611	51,723
Interdepartmental	938	1,373	2,591	2,468	6,959
Transportation/other	53,580	59,253	58,911	53,436	55,891
Total	107,512	119,275	113,750	105,515	114,573
Retail Customers at End of Period (a):					
Residential	365,597	365,193	363,825	374,494	371,443

Commercial	45,641	45,413	45,374	46,319	46,153
Industrial	571	584	591	657	692
Total	411,809	411,190	409,790	421,470	418,288
Other Selected Gas Data:					
Heating degree days (b):					
Cedar Rapids, Iowa (IPL) (normal - 6,732)	7,074	7,636	6,815	6,247	6,585
Madison, Wisconsin (WPL) (normal - 7,095)	7,356	7,714	6,935	6,520	6,840
Revenue per Dth sold to retail customers	$ 9.36	$ 11.54	$ 11.23	$ 11.70	$ 11.68
Purchased gas costs per Dth sold to retail customers	$ 6.47	$ 8.73	$ 8.11	$ 8.32	$ 8.68

(a) In February 2007, Alliant Energy sold its natural gas properties in Illinois. At the date of the sale, Alliant Energy had approximately 14,000 gas retail customers in Illinois. Prior to the asset sales, the gas sales to retail customers in Illinois are included in residential, commercial and industrial sales in the tables above.

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

Interstate Power and Light Company

Gas Operating Information	2009	2008	2007	2006	2005
Operating Revenues (in millions) (a):					
Residential	$ 168.6	$ 219.3	$ 203.4	$ 197.9	$ 201.7
Commercial	100.8	137.3	115.0	114.4	112.7
Industrial	25.0	40.4	31.2	30.4	33.8
Retail subtotal	294.4	397.0	349.6	342.7	348.2
Interdepartmental	2.9	2.2	2.6	2.2	5.1
Transportation/other	11.5	11.2	12.3	14.5	9.5
Total	$ 308.8	$ 410.4	$ 364.5	$ 359.4	$ 362.8
Gas Sales (000s Dths) (a):					
Residential	16,072	18,110	16,541	15,136	16,486
Commercial	11,451	13,099	11,080	10,552	10,576
Industrial	3,787	4,539	3,811	3,622	3,428
Retail subtotal	31,310	35,748	31,432	29,310	30,490
Interdepartmental	474	217	327	352	511
Transportation/other	29,924	34,776	34,433	32,342	30,691
Total	61,708	70,741	66,192	62,004	61,692
Retail Customers at End of Period (a):					
Residential	206,937	206,866	206,873	211,768	211,217
Commercial	26,545	26,603	26,664	27,222	27,384

Industrial	359	367	366	382	398
Total	233,841	233,836	233,903	239,372	238,999
Other Selected Gas Data:					
Heating degree days (b):					
Cedar Rapids, Iowa (normal - 6,732)	7,074	7,636	6,815	6,247	6,585
Revenue per Dth sold to retail customers	$ 9.40	$ 11.11	$ 11.12	$ 11.69	$ 11.42
Purchased gas cost per Dth sold to retail customers	$ 6.61	$ 8.50	$ 8.38	$ 8.69	$ 8.78

Wisconsin Power and Light Company

Gas Operating Information	2009	2008	2007	2006	2005
Operating Revenues (in millions) (a):					
Residential	$ 122.2	$ 165.7	$ 145.2	$ 144.9	$ 156.4
Commercial	73.9	103.2	84.0	84.4	89.3
Industrial	5.7	10.7	8.2	8.3	10.0
Retail subtotal	201.8	279.6	237.4	237.6	255.7
Interdepartmental	2.0	5.6	14.8	17.0	50.8
Transportation/other	12.7	14.8	13.5	19.3	15.8
Total	$ 216.5	$ 300.0	$ 265.7	$ 273.9	$ 322.3
Gas Sales (000s Dths) (a):					
Residential	11,639	12,520	11,596	11,270	12,068
Commercial	9,274	9,362	8,337	8,155	8,187
Industrial	771	1,019	883	876	978
Retail subtotal	21,684	22,901	20,816	20,301	21,233
Interdepartmental	464	1,156	2,264	2,116	6,448
Transportation/other	23,656	24,477	24,478	21,094	25,200
Total	45,804	48,534	47,558	43,511	52,881
Retail Customers at End of Period (a):					
Residential	158,660	158,327	156,952	162,726	160,226
Commercial	19,096	18,810	18,710	19,097	18,769
Industrial	212	217	225	275	294
Total	177,968	177,354	175,887	182,098	179,289
Other Selected Gas Data:					
Heating degree days (b):					
Madison, Wisconsin (normal - 7,095)	7,356	7,714	6,935	6,520	6,840
Revenue per Dth sold to retail customers	$ 9.31	$ 12.21	$ 11.40	$ 11.70	$ 12.04
Purchased gas cost per Dth sold to retail customers	$ 6.28	$ 9.08	$ 7.70	$ 7.77	$ 8.53

(a) In February 2007, IPL and WPL sold their respective natural gas properties in Illinois. At the date of the sale, IPL and
WPL had approximately 6,000 and 8,000 gas retail customers in Illinois, respectively. Prior to the asset sales, the gas

sales to retail customers in Illinois are included in residential, commercial and industrial sales in the tables above.
(b) Heating degree days are calculated using a simple average of the high and low temperatures each day compared to a
65 degree base. Normal degree days are calculated using a rolling 20-year average of historical heating degree days.

3) STEAM UTILITY OPERATIONS - IPL has historically provided steam service to approximately 200 customers in Cedar Rapids, Iowa, who used high-pressure steam for production purposes or low-pressure steam for hot water and heat. Substantially all of the steam for these customers was generated by IPL's Prairie Creek and Sixth Street Generating Stations in Cedar Rapids prior to June 2008. In June 2008, IPL's Prairie Creek and Sixth Street Generating Stations were shutdown 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 its steam distribution systems and established temporary steam generating systems (natural gas-fired package boilers and water treatment systems) to resume steam service for its customers. Following months of evaluations and discussions with its steam customers, IPL announced in the second quarter of 2009 its decision to discontinue providing temporary steam service to those steam customers located in downtown Cedar Rapids previously served by IPL's Sixth Street Generating Station. IPL ceased low-pressure steam operations in downtown Cedar Rapids in December 2009 and currently expects to cease high-pressure steam operations in downtown Cedar Rapids in the second quarter of 2010. The Prairie Creek Generating Station was returned to service in 2009 and is expected to be the primary source of steam for IPL's remaining high-pressure steam customers in the future.

D. INFORMATION RELATING TO NON-REGULATED OPERATIONS

Resources manages a portfolio of wholly-owned subsidiaries and additional investments through several distinct platforms: RMT (including WindConnect®), Non-regulated Generation, Transportation and other non-regulated investments.

RMT - provides renewable energy services and environmental consulting and engineering services to industrial and commercial clients nationwide. RMT offers renewable energy services through its WindConnect® segment, which provides siting, design, construction, and high voltage connection services for wind and solar projects in the U.S. RMT's environmental consulting and engineering services include site remediation and restoration, air quality control, auditing/compliance management, facility siting and planning, and environmental construction.

The economic conditions during 2008 and 2009 have resulted in constrained financial markets and lower funding for large capital projects in the renewable energy services market. With fewer renewable energy projects receiving funding, the competition for those projects has intensified. RMT is currently among a small group of companies that has technical expertise and project experience for all phases of a renewable energy project, from siting through electrical grid connection. Future growth in the renewable energy infrastructure market may attract new competitors to the renewable energy services market including large construction companies.

The environmental consulting and engineering market is mature, highly fragmented, and composed of a large number of firms ranging in size from small private entities to large public firms. RMT's competitors in this market vary by their scope of services, scale and geographical location of projects.

Non-regulated Generation - owns the 300 MW, simple-cycle, natural gas-fired Sheboygan Falls Energy Facility near Sheboygan Falls, Wisconsin, which is leased to WPL for an initial period of 20 years ending in 2025. Also included in Non-regulated Generation is Industrial Energy Applications, Inc., which provides on-site energy services with small standby generators.

Transportation - includes a short-line railway that provides freight service between Cedar Rapids, Iowa and Iowa City, Iowa; a barge terminal and hauling services on the Mississippi River; and other transfer and storage services.

Other non-regulated investments - include the Whiting Petroleum Corporation tax sharing agreement receivable discussed in Note 4(b) of Alliant Energy's "Notes to Consolidated Financial Statements," real estate investments, two corporate airplanes and several other modest investments.

ITEM 1A. RISK FACTORS

You should carefully consider each of the risks described below relating to Alliant Energy, IPL and WPL, together with all of the other information contained in this combined Annual Report on Form 10-K, before making an investment decision with respect to our securities. If any of the following risks develop into actual events, our business, financial condition or results of operations could be materially and adversely affected and you may lose all or part of your investment.

Risks related to the regulation of our business could impact the rates we are able to charge, our costs and our profitability - We are subject to comprehensive regulation by federal and state regulatory authorities, which significantly influences our operating environment, the ability to timely recover costs from customers and to earn appropriate rates of return. In particular, our utility operations are regulated by regulatory authorities with jurisdiction over public utilities, including the IUB, the PSCW, the MPUC and FERC. These authorities regulate many aspects of our operations, including: rates charged to customers; costs of fuel, purchased power and natural gas that can be recovered from customers; operating costs that can be recovered from customers; the authorized rates of return on capital; common equity levels; the amount of deferred costs that may be recovered from customers; our ability to site and construct new generating facilities and the amount of costs associated therewith that may be recovered from customers; authorization to install environmental pollution control equipment and whether equipment costs can be recovered from customers; construction and maintenance of facilities; operations, including requiring certain sources of energy such as renewable sources and reductions in energy usage by customers; rates paid to transmission operators; safety; issuance of securities; accounting matters; and transactions between affiliates. Further, provisions of the Wisconsin Utility Holding Company Act limit our ability to invest in non-utility activities and could deter takeover attempts by a potential purchaser of our common stock that would be willing to pay a premium for our common stock. These regulatory authorities are also empowered to impose financial penalties and other sanctions on us if we are found to have violated statutes and regulations governing utility operations. Our ability to obtain rate adjustments to earn appropriate rates of return depends upon timely regulatory action under applicable statutes and regulations, and we cannot assure that rate adjustments will be obtained or appropriate rates of return on capital will be earned. IPL and WPL currently plan to file a number of rate cases with regulatory authorities. In future rate cases, IPL and WPL may not receive an adequate amount of rate relief, rates may be reduced, rate adjustments may not be approved on a timely basis, costs may not be otherwise recovered through rates, and allowed rates of return on capital may be inadequate. As a result, we may experience adverse impacts on our financial condition and results of operations. We are unable to predict the impact on our business and operating results from future regulatory activities of any of these agencies. Changes in regulations or the imposition of additional regulations may require us to incur additional costs or change business operations or our business plan, which may have an adverse impact on our financial condition and results of operations.

We are exposed to risks related to economic conditions - Our utility operations are impacted by the economic conditions in our service territories. The current economic downturn in our service territories has caused our sales and revenues to decline. The totality of the sales declines to date is not fully reflected in all our rates, causing an adverse impact on our financial condition and results of operations. If economic conditions decline further in our service territories, we may experience additional reduced demand for electricity or natural gas. If current and future demand

declines are not reflected in our rates, our financial condition and results of operations could be negatively impacted. In addition, adverse economic conditions in our service territories could negatively impact our collections of receivables. The current economic downturn in our service territories has also caused a reduction in the number of industrial customers in our service territories. We have fewer customers as a result of the most recent recession and could lose additional customers due to economic conditions, customers constructing their own generation facilities, and loss of service territory or franchises. The current economic climate, and future economic growth, may not cause enough growth for us to replace the lost energy demand from these customers. The loss of customers, and the inability to replace those customers with new customers, could negatively impact our financial condition and results of operations.

Changes in commodity prices or the availability of commodities may increase the cost of producing electric energy or change the amount we receive from selling electric energy, harming our financial performance - The prices that we may obtain for electric energy may not compensate for changes in delivered coal, natural gas or electric energy spot-market costs, or changes in the relationship between such costs and the market prices of electric energy. As a result, we may be unable to pass on the changes in costs to our customers, especially at WPL where we do not have a retail automatic fuel cost adjustment clause, which allows more consistent and timely cost recovery. This may result in an adverse effect on our financial condition and results of operations. We are heavily exposed to changes in the price and availability of coal because the majority of the electricity generated by us is from our coal-fired generating facilities. We have contracts of varying durations for the supply and transportation of coal for most of our existing generating capability, but as these contracts end or otherwise are not honored, we may not be able to purchase coal on terms as favorable as the current contracts. Further, we currently rely on coal primarily from the Powder River Basin in Wyoming and any disruption of coal production in, or transportation from, that region may cause us to incur additional costs and adversely affect our financial condition and results of operations. We also have responsibility to supply natural gas to certain natural gas-fired electric generating facilities that we own and lease, which increase our exposure to the more volatile market prices of natural gas. We have natural gas supply contracts in place which are generally short-term in duration. The natural gas supply commitments are either fixed price in nature or market-based. As some of the contracts are market-based, and all of the contracts are short-term, we may not be able to purchase natural gas on terms as favorable as the current contracts when the current contracts expire. Further, any disruption of production or transportation of natural gas may cause us to incur additional costs to purchase natural gas that may adversely impact our financial condition and results of operations. We buy electricity from the market, and sell our generation into the market. The market prices impact the volumes of electricity bought and sold and impact our results of operations. The derivative instruments we use to manage our commodity risks have terms allowing our counterparties to demand cash collateral. Extensive cash collateral demands could adversely impact our cash flows.

Risks related to implementing our strategic plan - Our strategic plan includes investments in renewable energy and natural gas generation, environmental control equipment at existing generating facilities, Smart Grid enablement through automated metering infrastructure and energy efficiency. The construction or purchase of renewable energy generating facilities and advanced metering infrastructure is subject to many risks, which may cause increased costs or inability to recover costs, or may impede or block our ability to achieve our strategic objectives. The state utility commissions may not permit us to site, construct or purchase the generating facilities or add large-scale environmental control equipment to existing generating facilities. Such a state utility commission decision could be based upon any number of factors, including the commission’s determination that there is no need for the facilities or equipment, customer rate increases associated with the new generating facilities or equipment are too large or that the added costs to the customer outweigh the benefits to the customer, technology changes, environmental concerns or other factors. State utility commissions could approve the construction or purchase of generating facilities, but include conditions that make the project uneconomical. Such conditions could include low rates of return, inability to adequately recover costs or certain operating restrictions. If we receive regulatory approval to build the facilities,

advocacy groups or other associations may file lawsuits seeking to overturn or modify the regulatory approvals, as has been done relative to WPL's Bent Tree - Phase I wind project. If the state utility commissions do not approve the new generating facilities or do not approve conditions that make the project economical, or if certain groups successfully challenge the state utility commissions' decisions to allow the generating facilities, we will not be able to implement our strategic plan and our financial condition and ability to serve our customers could be negatively affected.

Risks related to wind generation - Our strategic plan includes our utility subsidiaries building and operating wind generating facilities. Our subsidiary, RMT, Inc., is also dependent on growth in the wind development market. The health of, and growth of, the wind market depends on tax incentives, such as the production tax credit, and other incentives included in the American Recovery and Reinvestment Act of 2009, and other laws and regulations. It also depends on the state of the economy and credit markets. The failure of tax incentives to work as expected, the elimination of or changes to these incentives, or continued economic and credit market weakness, could adversely impact our ability to achieve our strategic plan and could adversely impact our financial condition and results of operations. Growth at RMT requires RMT to maintain its current market share in the wind construction market as the market grows. RMT's inability to maintain its market share could adversely impact our ability to achieve our strategic plan and could adversely impact our results of operations.

Risks related to large construction projects - Large construction projects, such as the building of renewable energy generating facilities, adding large-scale environmental control equipment to generating facilities or adding new infrastructure such as advanced metering infrastructure, are subject to various risks that could cause costs to increase or delays in completion. These risks include shortages of, the inability to obtain, the cost of and the consistency of labor, materials and equipment, the inability of the general contractor or subcontractors to perform under their contracts, the inability to agree to terms of contracts or disputes in contract terms, work stoppages, adverse weather conditions, the inability to obtain necessary permits in a timely manner, changes in applicable laws or regulations, adverse interpretation or enforcement of permit conditions, governmental actions, legal action, and unforeseen engineering or technology issues. If the construction project is over budget, we may not be able to recover those excess costs. Inability to recover excess costs, or inability to complete the project in a timely manner, could adversely impact our financial condition and results of operations.

Costs of compliance with existing and future laws and the incurrence of liabilities, particularly related to the environment, could adversely affect our profitability - Our operations are subject to extensive regulation including environmental protection laws and regulations relating to, among other things, water discharges, management of hazardous and solid waste, and air emissions such as sulfur dioxide, nitrogen oxide, particulate matter and mercury. Laws and regulations affecting our operations have recently been adopted by the EPA and state authorities, and are being implemented in the states we operate. In addition, new regulations from federal and state authorities, such as potential water, greenhouse gas (GHG) and coal ash regulations, are under consideration and may be adopted, requiring modifications to our utility operations. New interpretations of existing laws and regulations could be adopted or become applicable to us or our facilities. Rules may be adopted and then overturned by courts, such as the Clean Air Mercury Rule, or sent back to the EPA for revisions, such as the Clean Air Interstate Rule. These regulations, possible new regulations and possible new interpretations may substantially increase compliance expenditures made by us or restrict our operations in the future. We also have current or previous ownership interests in sites associated with the production of gas and the production and delivery of electricity for which we may be liable for additional costs related to investigation, remediation and monitoring of these sites. We cannot predict with certainty the amount and timing of all future expenditures (including the potential or magnitude of any fines or penalties, including the severity of any restrictions on our operations) related to environmental matters, although we expect them to be material. Further, we believe we comply with such regulations, but a state or federal oversight agency may not agree, as occurred when the EPA issued a notice of violation to WPL alleging non-compliance with various permitting requirements under the Clean Air Act. The risks associated with compliance and estimating compliance costs include the possibility that changes will be made to the current environmental laws and regulations, the uncertainty regarding the type of compliance that will finally be required by rules and regulations, the possibility that a state or federal oversight agency will not agree that we are compliant, the uncertain treatment of expenditures by

regulators in setting our rates, the possible inability to obtain necessary materials or skilled labor force required for certain equipment necessary to comply with environmental regulations, the rising costs of equipment, services and labor related to environmental compliance, the possibility that technology will not perform as anticipated, co-owner considerations with respect to our jointly-owned facilities, and the uncertainty in quantifying liabilities under environmental laws that impose joint and several liabilities on all potentially responsible parties. Compliance with current and future environmental laws and regulations may result in increased capital, operating and other costs, including remediation and containment expenses and monitoring obligations, which could adversely impact our financial condition and results of operations.

We plan to move forward with environmental control projects that were planned to comply with the Clean Air Interstate Rule because we expect future environmental regulations will be adopted that require these projects. We also purchased emission allowances to comply with the Clean Air Interstate Rule. State utility commissions may not approve such projects because the current requirements for them are in question, or may not allow us to recover costs of the projects and emission allowances if future regulations are not adopted or changed significantly from current regulations. Co-owners in our jointly-owned facilities may not agree with our decision to move forward with these projects. Further, more stringent environmental regulations could be adopted in the future, requiring controls in addition to those currently planned. Failure to obtain utility commission approvals, inability to fully recover costs or failure to obtain co-owner approval could adversely impact our financial condition and results of operations.

Citizen groups or others may bring litigation over environmental issues including claims of various types, such as property damage and personal injury. Citizen legal challenges to compliance decisions on the enforcement of environmental requirements, such as approval of air permits, opacity and other air quality standards may be brought against us. WPL is currently involved in matters in which the Sierra Club is alleging various violations of the Clean Air Act. Specifically, the Sierra Club alleged that WPL violated the Clean Air Act by not obtaining permits for various projects at its owned and co-owned generating facilities, by violating opacity limits at a generating facility, and by changing the permitted operation of a generating facility. If we are unsuccessful defending such litigation, we could be subject to restrictions or prohibitions to operating our generation facilities, costly upgrades to our generation facilities, payment of damages or fines, and litigation costs, all of which could be material. An adverse result in such legal actions could have a material adverse impact on our financial condition and results of operations.

Actions related to global climate change and reducing GHG emissions could impact us - The primary GHG emitted from our utility operations is carbon dioxide (CO2) from combustion of fossil fuels at our generating facilities. Our generating facilities are primarily coal-fired facilities. Various laws and regulations addressing climate change are being considered at the federal and state levels. The Supreme Court has ruled that CO2 may be regulated by the EPA. The EPA has determined that CO2 threatens the public health and welfare and may now regulate all CO2 emissions under the Clean Air Act. Several bills have been introduced in the U.S. Congress that could compel CO2 emission reductions. Proposals under consideration include limitations on the amount of GHG that can be emitted (so called “caps”) together with systems of trading allowed emissions capacities. Under most of these proposals, companies like ours would be allocated a certain number of emission allowances. If our CO2 emissions were higher than the allowances allocated to us, we would have to purchase additional, and potentially costly, allowances to cover our current emissions. Under some proposals, we would not receive an adequate number of allowances to cover our current emissions. This type of system could require us to reduce emissions, even though carbon capture technology is not currently available for efficient reduction, or to purchase costly allowances for such emissions. Emissions also could be taxed independently of limits. In addition, we may be required to reduce our customers’ use of electricity, thereby reducing our sales. The Governors of all of the states in our service territories have signed on to the Midwestern Governors Association GHG Accord (GHG Accord). The stated goal of the GHG Accord’s platform is to “maximize the energy resources and economic advantages and opportunities of Midwestern states while reducing emissions of atmospheric CO2 and other GHG.” Each state in our service territories has established a board or

commission regarding reducing CO2 emissions. Wisconsin's legislature is considering GHG emission legislation. We could be subject to any regulations that are adopted in the future, and could become the target of challenges, because generating electricity using fossil fuels emits CO2. The impacts of such proposals could have a material adverse impact on our financial condition and results of operations.

Furthermore, state regulators may consider future climate change policy implications in proceedings related to making environmental upgrades to existing facilities. Future regulation of CO2 emissions could make some of our electric generating facilities uneconomic to maintain or operate. The cost to comply with future potential CO2 emissions regulations could be very high. There is no guarantee that we will be allowed to fully recover compliance costs or that cost recovery will not be delayed or otherwise conditioned. Due to the uncertainty of what form CO2 emissions regulations could take, control technologies available to reduce GHG emissions, including CO2, and the unknown nature of potential compliance obligations should climate change regulations be enacted, we cannot provide any assurance regarding the potential impacts these future regulations would have on our operations. In addition, we cannot predict if, or how, state regulators may factor this issue into approvals and permits for us to modify our existing coal-fired generation. All such regulatory results could adversely impact our ability to implement our strategic plan and our financial condition and results of operations.

Risks related to capital markets - We rely on accessing the capital markets to support capital expenditure programs and other capital requirements, including expenditures to build utility infrastructure and comply with future regulatory requirements. Successful implementation of our strategic plan and other long-term business strategies is dependent upon the ability of us to access the capital markets under competitive terms and rates. We have forecasted capital expenditures of $2.5 billion over the next three years. Capital markets, particularly debt markets, were under considerable strain recently, resulting in negative impacts on the availability and terms of credit available to certain businesses. Any national economic downturn or disruption of financial markets could reduce our access to capital necessary for our operations and to execute our strategic plan. If the credit crisis returns, we may be unable to access the credit markets, or our cost of borrowing might significantly increase. We rely on our strong credit ratings to access the credit markets. If our credit ratings are downgraded for any reason, we could pay higher interest rates in future financings, the pool of potential lenders could be reduced, borrowing costs under existing credit facilities could increase, our access to the commercial paper market could be limited, or we could be required to provide additional credit assurance, including cash collateral, to contract counterparties. If our access to capital were to become significantly constrained or costs of capital increased significantly due to lowered credit ratings, prevailing industry conditions, regulatory constraints, the volatility of the capital markets or other factors, our financial condition and results of operations could be significantly adversely affected.

We are subject to employee workforce factors that could affect our businesses - We are subject to employee workforce factors, including loss or retirement of key personnel, availability of and our ability to recruit qualified personnel, collective bargaining agreements with employees and work stoppage that could affect our businesses and financial condition and results of operations. Further, our workforce is dominated by members of the baby boomer generation who are nearing retirement. As a large portion of our workforce prepares to retire, we must recruit and train new employees to replace them. Costs of recruitment and the ability to find qualified employees are expected to become more difficult as our workforce retires. These factors could adversely affect our business and financial condition.

Failure to provide reliable service to our utility customers could adversely affect our operating results - We are currently obligated to supply electric energy in parts of Iowa, Wisconsin and Minnesota. From time to time and because of unforeseen circumstances, the demand for electric energy required to meet these obligations could exceed our available electric generating capability and energy commitments pursuant to purchased power agreements. The North American transmission grid is highly interconnected and, in extraordinary circumstances, disruptions at particular points within the grid could cause an extensive power outage in our delivery systems. Power outages in our

service territories could result from factors outside of our control or service territories. If this occurs, we may have to buy electric energy in the market. Our utilities may not always have the ability to pass all the costs of purchasing the electric energy on to their customers, and even if they are able to do so, there may be a significant delay between the time the costs are incurred and the time the costs are recovered. Since these situations most often occur during periods of peak demand, it is possible that the market price for electric energy at the time we purchase it could be very high. Even if a supply shortage was brief, we could suffer substantial losses that could diminish our financial condition and results of operations. The transmission system in our utilities' service territories is constrained, limiting the ability to transmit electric energy within our service territories and access electric energy from outside of our service territories. The transmission constraints could result in failure to provide reliable service to our utility customers and the inability to deliver energy from generating facilities, particularly wind generating facilities, to the national grid, or not being able to access lower cost sources of electric energy. Failure to provide safe and reliable service, including effects of equipment failures in electric and natural gas delivery systems and any resulting fines or litigation costs, or market demand for energy exceeding available supply, may result in reduced revenues and increased maintenance and capital costs, which could adversely impact our financial condition and results of operations.

Operation of electric generating facilities or capital improvement of utility facilities may involve unanticipated changes or delays in operations that could negatively impact our business - The operation of electric generating facilities involves many risks, including start-up risks, breakdown or failure of equipment, transmission lines or pipelines, use of technology, the dependence on a specific fuel source, including the supply and transportation of fuel, as well as the risk of performance below expected or contracted levels of output or efficiency. These risks could negatively impact our business through asset degradation, lost revenues or increased costs, including the cost of replacement power. Additionally, our ability to successfully and timely complete planned capital improvements to existing facilities within established budgets is contingent upon many variables and may be subject to substantial risks. Should such efforts be unsuccessful, we could be subject to additional costs and increased risk of non-recovery of construction or improvement costs through rates, which could adversely affect our financial condition and results of operations.

Our operating results may fluctuate on a seasonal and quarterly basis and can be adversely affected by the impacts of weather - Our electric and gas utility businesses are seasonal businesses and weather patterns can have a material impact on their operating performance. Demand for electricity is greater in the summer months associated with air conditioning requirements. In addition, market prices for electricity generally peak in the summer due to higher demand. Demand for natural gas depends significantly upon weather patterns in winter months due to heavy use for residential and commercial heating. As a result, our overall operating results in the future may fluctuate substantially on a seasonal basis. In addition, we have historically generated less revenues and income when weather conditions are warmer in the winter and cooler in the summer. Unusually mild winters and summers could have an adverse effect on our financial condition and results of operations.

Storms or natural disasters may impact our operations in unpredictable ways - Storms or catastrophic natural disasters may impact our operations. Storms and natural disasters, such as the flood of 2008 and the ice storms of 2007, may adversely impact our ability to generate, purchase or distribute electric energy or obtain fuel sources and may significantly slow growth, or cause a decline, in the economy within our service territories. Storms and natural disasters may prevent our customers from being able to operate, causing lower sales and revenues. In addition, we could incur large costs of repairing damage to our generating facilities and infrastructure due to storms or natural disasters. The loss of revenues may not be recovered. The restoration costs may not be fully covered by insurance policies. Damage to assets could also require us to take impairments. Some costs may not be recovered in rates, or there could be significant delays in cost recovery. Any of these items could adversely affect our financial condition and results of operations.

We are subject to limitations on our ability to pay dividends - Alliant Energy is a holding company with no significant operations of its own. Accordingly, the primary sources of funds for Alliant Energy to pay dividends to its shareowners are dividends and distributions from its subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts to us, whether by dividends, loans or other payments. The ability of our subsidiaries to pay dividends or make distributions to us and, accordingly, our ability to pay dividends on Alliant Energy common stock will depend on regulatory limitations and the earnings, cash flows, capital requirements and general financial condition of our subsidiaries. Our utilities each have dividend payment restrictions based on the terms of their outstanding preferred stock and regulatory limitations applicable to them. If we do not receive adequate dividends and distributions from our subsidiaries, then we may not be able to make, or may have to reduce, dividend payments on Alliant Energy common stock.

Threats of terrorism and catastrophic events that could result from terrorism may impact our operations in unpredictable ways - We are subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit electric energy, the risk of significant slowdown in growth or a decline in the U.S. economy, disruption or volatility in, or other effects on capital markets, and the increased cost and adequacy of security and insurance. Terrorist threats and activities may adversely impact our ability to generate, purchase or distribute electric energy or obtain fuel sources and may significantly slow growth, or cause a decline, in the economy within our service territories, which could adversely impact our financial condition and results of operations. In addition, the cost of repairing damage to our generating facilities and infrastructure due to acts of terrorism, and the loss of revenue if such events prevent us from providing utility service to our customers, could adversely impact our financial condition and results of operations.

Energy industry changes could have a negative effect on our businesses - As a public utility company with significant utility assets, we conduct our utility operations in a regulated business environment. The advent of new and unregulated markets has the potential to significantly impact our financial condition and results of operations. The evolution of the wholesale and transmission markets has the potential to significantly increase costs of transmission, costs associated with inefficient generation dispatching, costs of participation in the new markets and costs stemming from estimated payment settlements. Competitive pressures, including advances in technology that reduce the costs of alternative methods of producing electric energy to a level that is competitive with that of current electric production methods, could result in our utilities losing market share and customers and incurring stranded costs (i.e., assets and other costs rendered unrecoverable through customer rates as a result of competitive pricing), which would be borne by our shareowners. Increased competition from any restructuring efforts in our primary retail electric service territories may have a significant adverse impact on our financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

IPL - IPL’s electric generating facilities at Dec. 31, 2009, were as follows. Generating capacity is based upon the unforced capacity of the generating stations included in MISO’s resource adequacy process for the planning period from June 2009 to May 2010.

	No.	Primary	Primary	Generating

Name of Generating Facility	Location	# of Units	In-service Dates	Fuel Type	Dispatch Type (a)	Capacity in MW
Ottumwa Generating Station	Ottumwa, IA	1	1981	Coal	BL	299(b)
Lansing Generating Station Units 3, 4	Lansing, IA	2	1957-1977	Coal	BL	260
M. L. Kapp Generating Station Unit 2	Clinton, IA	1	1967	Coal	BL	181
Burlington Generating Station	Burlington, IA	1	1968	Coal	BL	174
Prairie Creek Generating Station	Cedar Rapids, IA	4	1951-1997	Coal	BL	165
George Neal Generating Station Unit 4	Sioux City, IA	1	1979	Coal	BL	152(c)
Sutherland Generating Station	Marshalltown, IA	3	1955-1961	Coal	BL	135
George Neal Generating Station Unit 3	Sioux City, IA	1	1975	Coal	BL	133(d)
Dubuque Generating Station Units 2, 3, 4	Dubuque, IA	3	1929-1959	Coal	IN	63
Louisa Generating Station Unit 1	Louisa, IA	1	1983	Coal	BL	28(e)
Sixth Street Generating Station	Cedar Rapids, IA	4	1930-1950	Coal	BL	--(f)
Total Coal						1,590