INTERSTATE POWER & LIGHT CO
Form 10-Q
May 04, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2009**

or

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

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

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

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

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 o No o

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

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

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

Yes o No x

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

Alliant Energy Corporation	Common stock, $0.01 par value, 110,637,676 shares outstanding
Interstate Power and Light Company	Common stock, $2.50 par value, 13,370,788 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)
Wisconsin Power and Light Company	Common stock, $5 par value, 13,236,601 shares outstanding (all of which are owned beneficially and of record by Alliant Energy Corporation)

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FORWARD-LOOKING STATEMENTS

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

- federal and state regulatory or governmental actions, including the impact of energy-related and tax legislation and regulatory agency orders;
- their ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of operating costs, capital expenditures and deferred expenditures, the earning of reasonable rates of return and the payment of expected levels of dividends;
- developments that adversely impact their ability to implement their strategic plans including unanticipated issues in connection with construction of their new generating facilities and WPL s potential purchases of the Riverside Energy Center (Riverside) and Alliant Energy Resources, LLC s (Resources) electric generating facility in Neenah, Wisconsin;
- IPL s ability to reduce the impact of a proposed transmission rate increase for 2009;
- the state of the economy in their service territories and resulting implications on sales and ability to collect unpaid bills, in particular as a result of the current recession;
- 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 retain purchased power, fuel and fuel-related costs through rates in a timely manner;
- the impact fuel and fuel-related prices and other economic conditions may have on their customers demand for utility services;
- impacts that storms or natural disasters in their service territories may have on their operations, including uncertainties associated with efforts to remediate the effects of the June 2008 Midwest flooding, reimbursement of storm-related costs covered by insurance, anticipated amount of operating and maintenance expenses, levels of steam margins, rate relief for costs associated with restoration and impacts of the flooding on the economic conditions of the affected service territories;
- issues associated with environmental remediation efforts and with environmental compliance generally, including changing environmental laws and regulations and the ability to recover through rates all environmental compliance costs;
- potential impacts of any future laws or regulations regarding global climate change or carbon emissions reductions;
- the growth rate of ethanol and biodiesel production in their service territories;
- continued access to the capital markets under competitive terms and rates;
- weather effects on results of operations;
- financial impacts of hedging strategies, including the impact of weather hedges on earnings;
- sales and project execution for RMT, Inc. and the level of growth in the wind development market;
- issues related to electric transmission, including operating in the Midwest Independent Transmission System Operator (MISO) energy and ancillary services markets, the impacts of potential future billing adjustments from MISO and recovery of costs incurred;
- unplanned outages at generating facilities and risks related to recovery of incremental costs through rates;
- Resources ability to successfully defend against, and any liabilities arising out of, the alleged default by Resources under the Indenture for the Exchangeable Senior Notes due 2030;
- Alliant Energy s ability to successfully defend against, and any liabilities arising out of, the purported shareowner derivative complaint stemming from the Exchangeable Senior Notes due 2030 litigation;

Alliant Energy s ability to successfully defend against, and any liabilities arising out of, the alleged violation of the Employee Retirement Income Security Act of 1974 by Alliant Energy s Cash Balance Pension Plan;
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 or work stoppages;

access to technological developments;

any material post-closing adjustments related to any of their past asset divestitures;

the impact of necessary accruals for the terms of incentive compensation plans;

the effect of accounting pronouncements issued periodically by standard-setting bodies;

the ability to continue cost controls and operational efficiencies;

increased retirement plan costs due to decreases in market value of plan assets;

the ability to utilize tax capital losses and net operating losses generated to date, and those that may be generated in the future, before they expire;
the ability to successfully complete ongoing tax audits and appeals with no material impact on earnings and cash flows;

inflation and interest rates; and

factors listed in Item 1A Risk Factors and Other Matters - Other Future Considerations in Management s Discussion and Analysis of Financial Condition and Results of Operations (MDA).

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

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended March 31,	
	2009	2008
	(dollars in millions, except per share amounts)	
Operating revenues:		
Utility:		
Electric	**$608.1**	$567.7
Gas	**264.6**	308.5
Other	**31.0**	17.9
Non-regulated	**46.2**	97.9
	949.9	992.0
Operating expenses:		
Utility:		
Electric production fuel and purchased power	**322.4**	277.9
Electric transmission service	**58.7**	45.7
Cost of gas sold	**199.1**	232.1
Other operation and maintenance	**160.5**	142.7

Non-regulated operation and maintenance	**44.5**	80.8
Depreciation and amortization	**65.1**	61.6
Taxes other than income taxes	**25.9**	26.1
	876.2	866.9
Operating income	**73.7**	125.1
Interest expense and other:		
Interest expense	**35.7**	29.7
Equity income from unconsolidated investments, net	**(9.2)**	(7.5)
Allowance for funds used during construction	**(9.5)**	(3.2)
Interest income and other	**(1.7)**	(7.1)
	15.3	11.9
Income before income taxes	**58.4**	113.2
Income tax expense (benefit)	**(18.9)**	40.4
Net income	**77.3**	72.8
Preferred dividend requirements of subsidiaries	**4.7**	4.7
Net income attributable to Alliant Energy Corporation common shareowners	**$72.6**	$68.1
Weighted average number of common shares outstanding (basic) (000s)	**110,218**	110,148
Weighted average number of common shares outstanding (diluted) (000s)	**110,305**	110,304
Earnings per weighted average common share (basic and diluted)	**$0.66**	$0.62
Dividends declared per common share	**$0.375**	$0.35

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

ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

ASSETS	**March 31, 2009**	December 31, 2008
	(in millions)	
Property, plant and equipment:		
Utility:		
Electric plant in service	**$6,126.3**	$6,018.8
Gas plant in service	**765.2**	761.6
Other plant in service	**485.7**	481.0
Accumulated depreciation	**(2,806.9)**	(2,766.2)
Net plant	**4,570.3**	4,495.2
Construction work in progress:		
Whispering Willow - East Wind Project	**272.9**	189.4
Other	**321.7**	294.2
Other, less accumulated depreciation	**51.6**	22.4
Total utility	**5,216.5**	5,001.2
Non-regulated and other:		

Non-regulated Generation, less accumulated depreciation	**227.7**	230.1
Alliant Energy Corporate Services, Inc. and other, less accumulated depreciation	**128.7**	122.2
Total non-regulated and other	**356.4**	352.3
	5,572.9	5,353.5
Current assets:		
Cash and cash equivalents	**283.7**	346.9
Accounts receivable:		
Customer, less allowance for doubtful accounts	**138.8**	233.9
Unbilled utility revenues	**127.2**	186.2
Other, less allowance for doubtful accounts	**170.4**	138.6
Income tax refunds receivable	**117.6**	67.7
Production fuel, at weighted average cost	**105.9**	111.7
Materials and supplies, at weighted average cost	**57.6**	55.8
Gas stored underground, at weighted average cost	**17.9**	75.0
Regulatory assets	**117.3**	101.6
Derivative assets	**7.3**	18.1
Other	**87.2**	110.1
	1,230.9	1,445.6
Investments:		
Investment in American Transmission Company LLC	**201.4**	195.1
Other	**61.2**	60.9
	262.6	256.0
Other assets:		
Regulatory assets	**962.2**	933.1
Deferred charges and other	**210.8**	213.3
	1,173.0	1,146.4
Total assets	**$8,239.4**	$8,201.5

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

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

CAPITALIZATION AND LIABILITIES	**March 31, 2009**	December 31, 2008
	(in millions, except per share and share amounts)	
Capitalization:		
Alliant Energy Corporation common equity:		
Common stock - $0.01 par value - authorized 240,000,000 shares; outstanding 110,635,027 and 110,449,099 shares	**$1.1**	$1.1
Additional paid-in capital	**1,497.0**	1,494.9
Retained earnings	**1,367.4**	1,336.2
Accumulated other comprehensive loss	**(1.5)**	(1.4)
Shares in deferred compensation trust - 248,797 and 238,241 shares at a weighted average cost of $30.67 and $30.79 per share	**(7.6)**	(7.3)
Total Alliant Energy Corporation common equity	**2,856.4**	2,823.5
Cumulative preferred stock of IPL	**183.8**	183.8
Noncontrolling interest	**2.1**	2.1
Total equity	**3,042.3**	3,009.4
Cumulative preferred stock of WPL	**60.0**	60.0
Long-term debt, net (excluding current portion)	**1,648.5**	1,748.3

	4,750.8	4,817.7
Current liabilities:		
Current maturities of long-term debt	**236.4**	136.4
Commercial paper	**100.8**	86.1
Accounts payable	**359.8**	425.1
Regulatory liabilities	**74.8**	101.9
Accrued taxes	**40.4**	52.5
Derivative liabilities	**84.1**	78.6
Other	**156.3**	157.6
	1,052.6	1,038.2
Other long-term liabilities and deferred credits:		
Deferred income taxes	**1,019.7**	971.2
Regulatory liabilities	**651.6**	637.9
Pension and other benefit obligations	**516.4**	513.9
Other	**248.3**	222.6
	2,436.0	2,345.6
Total capitalization and liabilities	**$8,239.4**	$8,201.5

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

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

	For the Three Months Ended March 31,	
	2009	2008
	(in millions)	
Cash flows from operating activities:		
Net income	**$77.3**	$72.8
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	**65.1**	61.6
Other amortizations	**10.7**	11.8
Deferred tax expense (benefit) and investment tax credits	**26.1**	(1.3)
Equity income from unconsolidated investments, net	**(9.2)**	(7.5)
Distributions from equity method investments	**7.3**	6.4
Other	**(6.4)**	0.3
Other changes in assets and liabilities:		
Accounts receivable	**(2.0)**	(47.6)
Sale of accounts receivable	**125.0**	(75.0)
Income tax refunds receivable	**(49.9)**	13.4
Gas stored underground	**57.1**	57.6
Regulatory assets	**(57.5)**	5.8
Prepaid gas costs	**18.2**	5.9
Accounts payable	**(38.2)**	(9.7)
Derivative liabilities	**35.1**	(23.3)
Deferred revenues	**(2.5)**	32.3
Deferred income taxes	**21.7**	17.9
Accrued incentive compensation and other	**(10.3)**	(29.8)
Net cash flows from operating activities	**267.6**	91.6
Cash flows used for investing activities:		
Construction and acquisition expenditures:		
Utility business	**(295.6)**	(126.5)

Alliant Energy Corporate Services, Inc. and non-regulated businesses	**(17.4)**	(6.3)
Advances for customer energy efficiency projects	**(8.6)**	(1.0)
Collections of advances for customer energy efficiency projects	**12.2**	16.0
Other	**(2.0)**	1.5
Net cash flows used for investing activities	**(311.4)**	(116.3)
Cash flows used for financing activities:		
Common stock dividends	**(41.4)**	(38.6)
Preferred dividends paid by subsidiaries	**(4.7)**	(4.7)
Net change in short-term borrowings	**14.7**	(28.3)
Changes in cash overdrafts	**12.5**	(16.9)
Other	**(0.5)**	-
Net cash flows used for financing activities	**(19.4)**	(88.5)
Net decrease in cash and cash equivalents	**(63.2)**	(113.2)
Cash and cash equivalents at beginning of period	**346.9**	745.6
Cash and cash equivalents at end of period	**$283.7**	$632.4

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

ALLIANT ENERGY CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

(b) Regulatory Assets and Liabilities -

Derivatives - IPL and WPL generally record regulatory assets or liabilities to offset the changes in fair value of derivatives, based on the fuel and natural gas recovery mechanisms in place, as well as other specific regulatory authorizations. Refer to Note 11(a) for information regarding the changes in fair value of derivatives during the first quarter of 2009, which IPL and WPL recognized in regulatory assets and liabilities.

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

	Alliant Energy		IPL		WPL	
	March 31, 2009	Dec. 31, 2008	**March 31, 2009**	Dec. 31, 2008	**March 31, 2009**	Dec. 31, 2008
IPL s base-load project	**$31.1**	$30.2	**$31.1**	$30.2	**$--**	$--
WPL s base-load project	**30.0**	35.6	**--**	--	**30.0**	35.6
Clean air compliance projects	**17.5**	20.7	**9.0**	12.5	**8.5**	8.2
Wind projects	**1.2**	1.4	**--**	--	**1.2**	1.4
	$79.8	$87.9	**$40.1**	$42.7	**$39.7**	$45.2

IPL s Base-Load Project - In March 2009, IPL and its joint partners decided not to proceed with the construction of the proposed 630 megawatt (MW) coal-fired electric generating facility in Marshalltown, Iowa referred to as Sutherland #4. In March 2009, IPL filed with the Iowa Utilities Board (IUB) a request to increase retail electric rates, which includes the recovery of the Iowa retail portion of the Sutherland #4 costs in the above table over a five-year period. IPL expects the IUB to issue its decision regarding the retail electric rate increase and the recovery of the Iowa retail portion of the Sutherland #4 capitalized expenditures in the first quarter of 2010. In March 2009, IPL filed a petition with the Minnesota Public Utilities Commission (MPUC) requesting approval of deferred accounting treatment for the Minnesota retail portion of the Sutherland #4 costs in the above table. If approved, recovery of deferred costs related to Sutherland #4 would be considered in a future regulatory proceeding in Minnesota.

WPL s Base-Load Project - In December 2008, the Public Service Commission of Wisconsin (PSCW) issued a written order denying WPL s application to construct a 300 MW coal-fired electric generating facility in Cassville, Wisconsin referred to as Nelson Dewey #3. In December 2008, WPL received approval from the PSCW to recover $9 million over a two-year period ending December 2010 for the retail portion of the Nelson Dewey #3 costs incurred through December 2007. WPL plans to pursue recovery of the remaining retail portion of the costs in the above table in its next retail rate case expected to be filed in May 2009. In April 2009, WPL executed an agreement with its wholesale customers to recover $4 million of the wholesale portion of the capitalized expenditures for the Nelson Dewey #3 project in the above table that were incurred by WPL through December 2008. WPL expects to recover the $4 million of capitalized expenditures from its wholesale customers over a one-year period ending May 2010.

While IPL and WPL believe the regulatory assets recognized as of March 31, 2009 in the above table are probable of future recovery, no assurance can be made that IPL and WPL will recover all of these regulatory assets in future rates.

Fuel Cost Recovery - Refer to Note 2 for discussion of certain utility rate refund reserves recorded as regulatory liabilities on Alliant Energy s and WPL s Condensed Consolidated Balance Sheets as of March 31, 2009.

Duane Arnold Energy Center (DAEC) Spent Nuclear Fuel Litigation Settlement - Refer to Note 12(g) for discussion of a regulatory liability on Alliant Energy s and IPL s Condensed Consolidated Balance Sheets at March 31, 2009 related to a DAEC spent nuclear fuel litigation settlement.

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

	March 31, 2009	Dec. 31, 2008
Total cash and cash equivalents	**$284**	$347
Money market fund investments	**$279**	$339
Interest rates on money market fund investments	**0.65 - 0.90%**	1.43 - 1.83%

(d) Utility Property, Plant and Equipment -

Allowance For Funds Used During Construction (AFUDC) - The amount of AFUDC generated by equity and debt components for the three months ended March 31 was as follows (in millions):

	Alliant Energy		IPL		WPL	
	2009	2008	**2009**	2008	**2009**	2008
Equity	**$7.3**	$2.1	**$6.7**	$0.8	**$0.6**	$1.3
Debt	**2.2**	1.1	**1.9**	0.5	**0.3**	0.6
	$9.5	$3.2	**$8.6**	$1.3	**$0.9**	$1.9

The increase in Alliant Energy s and IPL s AFUDC was primarily due to AFUDC recognized in the first quarter of 2009 for IPL s Whispering Willow - East wind project.

WPL Wind Projects - In March 2009, WPL purchased an approximately 400 MW wind project site in Freeborn County, Minnesota and development rights to an approximately 100 MW wind site in Green Lake and Fond du Lac Counties in Wisconsin. WPL plans to use 200 MW of the capacity from the site in Freeborn County, Minnesota for its proposed Bent Tree wind project. The aggregate cost for these two wind sites of $31 million was recorded in Other property, plant and equipment on Alliant Energy s and WPL s Condensed Consolidated Balance Sheets as of March 31, 2009.

(e) Supplemental Financial Information - The other (income) and deductions included in Interest income and other in Alliant Energy s Condensed Consolidated Statements of Income for the three months ended March 31 were as follows (in millions):

	2009	2008

Interest income	**($1.6)**	($6.9)
Other	**(0.1)**	(0.2)
	($1.7)	($7.1)

The supplemental cash flows information for Alliant Energy s Condensed Consolidated Statements of Cash Flows for the three months ended March 31 was as follows (in millions):

	2009	2008
Cash paid during the period for:		
Interest, net of capitalized interest	**$41.8**	$44.0
Income taxes, net of refunds	**3.2**	10.9

(f) New Accounting Pronouncements -

Financial Accounting Standards Board (FASB) Staff Position (FSP) Statement of Financial Accounting Standards (SFAS) 115-2 and SFAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments

In April 2009, the FASB issued FSP SFAS 115-2 and SFAS 124-2, which is intended to bring greater consistency to the timing of impairment recognition and provide greater clarity to investors about the credit and noncredit components of impaired debt securities that are not expected to be sold. FSP SFAS 115-2 and SFAS 124-2 also requires increased and more timely disclosures regarding expected cash flows, credit losses and an aging of securities with unrealized losses. Alliant Energy, IPL and WPL are required to adopt FSP SFAS 115-2 and SFAS 124-2 by June 30, 2009. FSP SFAS 115-2 and SFAS 124-2 is not expected to have any material impact on their financial condition and results of operations.

FSP SFAS 107-1 and Accounting Principles Board Opinion (APB) 28-1, Interim Disclosures about Fair Value of Financial Instruments

In April 2009, the FASB issued FSP SFAS 107-1 and APB 28-1, which requires quarterly qualitative and quantitative disclosures about fair value estimates for financial instruments not measured on the balance sheet at fair value. Alliant Energy, IPL and WPL are required to adopt FSP SFAS 107-1 and APB 28-1 by June 30, 2009. Because FSP SFAS 107-1 and APB 28-1 provides only disclosure requirements, the adoption of this standard will not have any impact on their financial condition and results of operations.

FSP SFAS 132(R)-1, Employers Disclosures about Postretirement Benefit Plan Assets

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

Emerging Issues Task Force (EITF) Issue 08-6, Equity Method Investment Accounting Considerations

In November 2008, the FASB issued EITF Issue 08-6, which considered the effects of the issuances of SFAS 141(R) and SFAS 160 on an entity s application of the equity method under APB 18, The Equity Method of Accounting for Investments in Common Stock. EITF Issue 08-6 addresses questions that have arisen regarding the application of equity method accounting guidance because of the significant changes to the guidance on business combinations and subsidiary equity transactions and the increased use of fair value measurements as a result of these pronouncements. Alliant Energy, IPL and WPL are required to adopt EITF Issue 08-6 beginning with transactions occurring in 2009. Because the provisions of EITF Issue 08-6 are only applied prospectively to transactions after adoption, the impact to Alliant Energy, IPL and WPL cannot be determined until any such transactions occur.

FSP SFAS 142-3, Determination of the Useful Life of Intangible Assets

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

SFAS 161, Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133

In March 2008, the FASB issued SFAS 161, which requires enhanced qualitative and quantitative disclosures about an entity s derivative and hedging activities. Alliant Energy, IPL and WPL adopted SFAS 161 on Jan. 1, 2009. Because SFAS 161 provides only disclosure requirements, the adoption of this standard did not have any impact on their financial condition or results of operations. Refer to Note 11(a) for disclosures about derivative instruments and hedging activities required by SFAS 161.

SFAS 141(R), Business Combinations

In December 2007, the FASB issued SFAS 141(R), which establishes principles and requirements for how the acquiring entity in a business combination: recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. In April 2009, the FASB issued FSP SFAS 141(R)-1, Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies, which amends and clarifies SFAS 141(R) and requires that an acquirer recognize at fair value an asset acquired or liability assumed in a business combination that arises from a contingency if the acquisition-date fair value of that asset or liability can be determined during the measurement period. If the acquisition-date fair value cannot be determined then the acquirer follows the recognition criteria in SFAS 5, Accounting for Contingencies, and FASB Interpretation No. 14, Reasonable Estimation of the Amount of a Loss - an interpretation of FASB Statement No. 5, to determine whether the contingency should be recognized as of the acquisition date or after it. Alliant Energy, IPL and WPL adopted SFAS 141(R) and FSP SFAS 141(R)-1 on Jan. 1, 2009. Because the provisions of SFAS 141(R) and FSP SFAS 141(R)-1 are only applied prospectively to business combinations after adoption, the impact to Alliant Energy, IPL and WPL cannot be determined until any business combinations occur.

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

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

SFAS 157, Fair Value Measurements

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

(2) UTILITY RATE REFUNDS

WPL s Fuel-related Retail Rate Refunds - In April 2009, the PSCW issued an order granting WPL s request to refund the remaining $5 million related to the 2008 fuel-related retail rate case and the remaining $2 million related to the 2007 retail rate case to WPL s electric retail customers in the second quarter of 2009. At March 31, 2009, WPL reserved $7 million, including interest, for these two refunds, which are expected to be paid in the second quarter of 2009.

MISO Revenue Sufficiency Guarantee (RSG) Resettlements - Refer to Note 12(f) for discussion of anticipated net benefits from a MISO RSG resettlement process and associated refunds of $3 million expected to be paid to WPL s retail customers in the second quarter of 2009.

(3) COMPREHENSIVE INCOME

Alliant Energy s comprehensive income, and the components of other comprehensive income (loss), net of taxes, for the three months ended March 31 were as follows (in millions):

	2009	2008
Net income attributable to Alliant Energy common shareowners	**$72.6**	$68.1
Unrealized holding gains on securities, net of tax	**--**	0.6
Less: reclassification adjustment for gains included in net income, net of tax	**0.1**	--
Net unrealized gains (losses) on securities, net of tax	**(0.1)**	0.6
Other comprehensive income (loss)	**(0.1)**	0.6
Comprehensive income	**$72.5**	$68.7

(4) RECEIVABLES

(a) Sales of Accounts Receivable - At March 31, 2009 and Dec. 31, 2008, IPL had sold in the aggregate $150 million and $25 million, respectively, of accounts receivable. IPL received aggregate proceeds from the sales of accounts receivable and incurred costs associated with these sales for the three months ended March 31 as follows (in millions):

	2009	2008
Aggregate proceeds	**$390.0**	$25.0
Costs incurred	**0.6**	0.1

Refer to Note 12(c) for discussion of an alleged default under the Indenture for the Exchangeable Senior Notes due 2030 that could trigger a cross default provision under IPL s sale of accounts receivable program agreement.

(b) Property Insurance Recoveries - Alliant Energy and IPL incurred covered flood losses related to the severe Midwest flooding in June 2008 that exceed the $100 million coverage limit under Alliant Energy s property insurance policy. As of March 31, 2009, Alliant Energy and IPL received $34 million of payments for reimbursement of covered flood losses under the property insurance policy. Alliant Energy and IPL believe the remaining $66 million of coverage under the insurance policy is probable of recovery in the second or third quarter of 2009. Alliant Energy and IPL allocated the remaining coverage between expense ($31 million) and capital ($35 million) based on the percentage of covered flood losses charged to expense and capital accounts for the initial $100 million of covered flood losses incurred. The $31 million of remaining coverage allocated to expense was recorded as an increase in Accounts receivable - other on the Condensed Consolidated Balance Sheets of Alliant Energy and IPL at March 31, 2009. The $35 million of remaining coverage allocated to capital will be recorded in Utility accumulated depreciation on Alliant Energy s and IPL s Condensed Consolidated Balance Sheets in the period these amounts are received.

(c) Cash Collateral - As of March 31, 2009, IPL, WPL and Corporate Services had entered into numerous agreements to purchase electricity and natural gas to serve IPL s and WPL s utility customers. Exposure under certain of these agreements exceeded contractual limits, requiring IPL, WPL and Corporate Services to provide cash collateral to certain counterparties. The cash collateral was recorded in Accounts receivable - other on Alliant Energy s, IPL s and WPL s Condensed Consolidated Balance Sheets as follows (in millions):

	March 31, 2009	Dec. 31, 2008
WPL	**$31**	$15
Corporate Services	**12**	2
IPL	**1**	--
Alliant Energy	**$44**	$17

(5) INCOME TAXES

The provision for income taxes is based on an estimated annual effective tax rate that excludes the impact of significant unusual or infrequently occurring items or extraordinary items. The effective tax rates for Alliant Energy, IPL and WPL differ from the federal statutory rate of 35% generally due to state income taxes, tax credits, effects of utility rate making, certain non-deductible expenses and the impacts of new tax legislation discussed below. The income tax rates for the three months ended March 31, 2009 and 2008 shown in the following table were computed by dividing income tax expense by income before income taxes.

Alliant Energy	IPL	WPL

	2009	2008	**2009**	2008	**2009**	2008
Income tax rates	**(32.4%)**	35.7%	**(174.3%)**	35.4%	**30.4%**	36.8%

In February 2009, the Wisconsin Senate Bill 62 (SB 62) was enacted. The most significant provision of SB 62 for Alliant Energy, IPL and WPL requires combined reporting for corporate income taxation in Wisconsin beginning with tax returns filed for the calendar year ending Dec. 31, 2009. This provision will require all legal entities in which Alliant Energy owns a 50% or more interest to file as members of a unitary return in Wisconsin. As a result of this provision in SB 62 and in order to take advantage of efficiencies that may be available as a result of IPL and WPL sharing resources and facilities, WPL now plans on doing business in Iowa and accordingly plans to file as a member of the 2009 Iowa consolidated tax return.

In accordance with SFAS 109, Accounting for Income Taxes, deferred income tax assets and liabilities are recognized based on the amounts of temporary differences between the book and tax bases of assets and liabilities multiplied by the anticipated federal and state apportioned income tax rates effective when these timing differences are expected to reverse in the future. Expected changes in state apportioned income tax rates resulting from Wisconsin combined reporting requirements and WPL s plans to be included in the Iowa consolidated tax return required Alliant Energy, IPL and WPL to adjust the carrying value of their deferred income tax assets and liabilities in the first quarter of 2009. These adjustments included reductions in the deferred tax assets for Wisconsin and Iowa capital loss carryforwards and associated valuation allowances of $11 million in the first quarter of 2009. The current provisions of SB 62 make it unlikely that Alliant Energy will be able to utilize the majority of its current Wisconsin net operating loss carryforwards before they expire. Therefore, the valuation allowance related to the Wisconsin net operating loss carryforwards was increased by $6 million in the first quarter of 2009.

Alliant Energy, IPL and WPL recognized net income tax benefits in the first quarter of 2009 of $40.4 million, $32.7 million and $2.4 million, respectively, related to the impacts of adjustments to the carrying value of deferred tax assets and liabilities caused by changes to state apportioned income tax rates for Wisconsin combined reporting requirements and WPL s plans to be included in the Iowa consolidated tax return and adjustments to valuation allowances of deferred tax assets discussed in the previous paragraph. These net income tax benefits recognized in the first quarter of 2009 reduced Alliant Energy s, IPL s and WPL s income tax rates for such period by 69.2%, 215.1% and 5.3%, respectively.

(6) BENEFIT PLANS

(a) Pension and Other Postretirement Benefits Plans - The components of Alliant Energy s qualified and non-qualified pension benefits and other postretirement benefits costs for the three months ended March 31 were as follows (in millions):

	Pension Benefits		Other Postretirement Benefits	
	2009	2008	**2009**	2008
Service cost	**$3.1**	$4.1	**$2.2**	$2.1
Interest cost	**13.6**	13.7	**3.8**	3.8
Expected return on plan assets	**(11.9)**	(18.7)	**(1.5)**	(2.3)
Amortization of:				
Prior service cost (credit)	**0.5**	0.7	**(0.9)**	(0.9)
Actuarial loss	**8.0**	1.0	**1.5**	0.9
	$13.3	$0.8	**$5.1**	$3.6

Alliant Energy estimates that funding for the qualified pension, non-qualified pension and other postretirement benefits plans during 2009 will be $50 million, $5 million and $21 million, respectively, of which $0, $1 million and $5 million, respectively, have been contributed through March 31, 2009.

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

(b) Equity Incentive Plans - A summary of share-based compensation expense related to grants under Alliant Energy s 2002 Equity Incentive Plan (EIP) and the related income tax benefits recognized for the three months ended March 31 was as follows (in millions):

	Alliant Energy		IPL		WPL	
	2009	2008	**2009**	2008	**2009**	2008
Share-based compensation expense	**$1.2**	$0.9	**$0.7**	$0.5	**$0.4**	$0.4
Income tax benefits	**0.5**	0.4	**0.3**	0.2	**0.2**	0.1

As of March 31, 2009, total unrecognized compensation cost related to all share-based compensation awards was $11.8 million, which is expected to be recognized over a weighted average period of two years. Share-based compensation expense is recognized on a straight-line basis over the requisite service periods.

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

	2009	2008
	Shares (a)	Shares (a)
Nonvested shares at Jan. 1	**208,579**	221,834
Granted	**152,735**	65,516
Vested	**(84,633)**	(78,532)
Nonvested shares at March 31	**276,681**	208,818

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

Information related to nonvested performance shares and their fair values at March 31, 2009, by year of grant, was as follows:

2009 Grant	2008 Grant	2007 Grant

Nonvested performance shares	152,735	65,516	58,430
Alliant Energy common stock closing price on March 31, 2009	$24.69	$24.69	$24.69
Estimated payout percentage based on performance criteria	92%	79%	83%
Fair values of each nonvested performance share	$22.71	$19.51	$20.49

At March 31, 2009, fair values of nonvested performance shares were calculated using a Monte Carlo simulation to determine the anticipated total shareowner returns of Alliant Energy and its investor-owned utility peer group. Expected volatility was based on historical volatilities using daily stock prices over the past three years. Expected dividend yields were calculated based on the most recent quarterly dividend rates announced prior to the measurement date and stock prices at the measurement date. The risk-free interest rate was based on the three-year U.S. Treasury rate in effect as of the measurement date.

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

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

Time-based restricted stock - A summary of the time-based restricted stock activity for the three months ended March 31 was as follows:

	2009		2008	
	Shares	**Weighted Average Fair Value**	Shares	Weighted Average Fair Value
Nonvested shares at Jan. 1	**156,807**	**$32.80**	165,832	$30.66
Granted	**51,236**	**29.40**	45,776	35.63
Vested	**(35,225)**	**30.23**	(35,300)	27.73
Forfeited	**(3,235)**	**33.97**	--	--
Nonvested shares at March 31	**169,583**	**32.29**	176,308	32.54

Performance-contingent restricted stock - A summary of the performance-contingent restricted stock activity for the three months ended March 31 was as follows:

2009		2008	
Shares	**Weighted Average Fair Value**	Shares	Weighted Average Fair Value

Nonvested shares at Jan. 1	**124,185**	**$39.28**	135,348	$32.42
Granted	**101,822**	**23.67**	65,516	40.49
Vested	**--**	**--**	(54,991)	28.20
Forfeited	**--**	**--**	(21,688)	28.19
Nonvested shares at March 31	**226,007**	**32.25**	124,185	39.28

Non-qualified Stock Options - A summary of the stock option activity for the three months ended March 31 was as follows:

	2009		2008	
	Shares	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price
Outstanding at Jan. 1	**497,183**	**$27.30**	542,844	$27.45
Exercised	**--**	**--**	(24,429)	28.20
Outstanding and exercisable at March 31	**497,183**	**27.30**	518,415	27.41

The weighted average remaining contractual term for options outstanding and exercisable at March 31, 2009 was two years. The aggregate intrinsic value of options outstanding and exercisable at March 31, 2009 was $0.5 million.

Other information related to stock option activity for the three months ended March 31 was as follows (in millions):

	2009	2008
Cash received from stock options exercised	**$--**	$0.7
Aggregate intrinsic value of stock options exercised	**--**	0.2
Income tax benefit from the exercise of stock options	**--**	0.1

(7) COMMON AND PREFERRED STOCK

(a) Common Stock - A summary of Alliant Energy s common stock activity during the first quarter of 2009 was as follows:

Shares outstanding at Jan. 1, 2009	110,449,099
Equity incentive plans (Note 6(b))	201,012
Other (a)	(15,084)
Shares outstanding at March 31, 2009	110,635,027

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

In July 2008, the Federal Energy Regulatory Commission (FERC) issued an order allowing IPL to pay up to $400 million in common equity distributions from additional paid-in capital, rather than retained earnings. IPL s repayments of capital to Alliant Energy were $75 million in 2008 and $26 million in the first quarter of 2009. As of March 31, 2009, IPL s remaining authority under this FERC order was $299 million.

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

WPL - The articles of incorporation of WPL contain a provision that grants the holders of their preferred stock enough voting rights to elect a majority of WPL s Board of Directors if preferred dividends equal to the annual dividend requirements are in arrears. Exercise of such voting rights would provide the holders of WPL s preferred stock control of the decision on redemption of the preferred stock. In accordance with the provisions of EITF Issue D-98, Classification and Measurement of Redeemable Securities, these potential voting rights cause WPL s preferred stock to be presented outside of total equity in Alliant Energy s and WPL s Condensed Consolidated Balance Sheets in a manner consistent with temporary equity defined in EITF Issue D-98.

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

(8) SHORT- AND LONG-TERM DEBT

As of March 31, 2009, Alliant Energy, IPL and WPL amended their respective credit facility agreements to release Lehman Brothers Bank (Lehman) from the agreements. Lehman s total commitment to the previous credit facilities was $27 million, of which Alliant Energy (at the parent company level), IPL and WPL had $4 million, $13 million, and $10 million, respectively. At March 31, 2009, the three amended credit facilities totaled $623 million ($96 million for Alliant Energy at the parent company level, $287 million for IPL and $240 million for WPL). At March 31, 2009, commercial paper issued under Alliant Energy s, IPL s and WPL s credit facilities was as follows (dollars in millions; Not Applicable (N/A)):

	Alliant Energy (Consolidated)	Parent Company	IPL	WPL
Commercial paper:				
Amount outstanding	$101	$--	$49	$52
Maturity	1 day	N/A	1 day	1 day
Interest rates	0.55-0.65%	N/A	0.65%	0.55%

Available credit facility capacity	$522	$96	$238	$188

Refer to Note 12(c) for information on an alleged default under the Indenture for the Exchangeable Senior Notes due 2030 that could trigger a cross default provision under Alliant Energy s credit facility agreement.

(9) UNCONSOLIDATED EQUITY INVESTMENTS

Equity (income) loss from Alliant Energy s unconsolidated investments accounted for under the equity method of accounting for the three months ended March 31 was as follows (in millions):

	2009	2008
American Transmission Company LLC (ATC)	**($9.2)**	($7.3)
Other	**--**	(0.2)
	($9.2)	($7.5)

Summary financial information from the financial statements of ATC for the three months ended March 31 is as follows (in millions):

	2009	2008
Operating revenues	**$126.2**	$109.1
Operating income	**69.3**	58.2
Net income	**50.9**	42.4

(10) FAIR VALUE MEASUREMENTS

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

	Fair Value Measurements	Level 1	Level 2 (a)	Level 3 (b)
March 31, 2009				
Assets:				
Derivative assets	**$21.0**	**$0.2**	**$4.3**	**$16.5**
Available-for-sale securities	**3.1**	**3.1**	**--**	**--**
Liabilities:				
Derivative liabilities	**138.1**	**--**	**124.2**	**13.9**
Dec. 31, 2008				
Assets:				
Derivative assets	$28.4	$0.1	$2.6	$25.7
Available-for-sale securities	3.8	3.8	--	--

Liabilities:				
Derivative liabilities	103.0	--	92.0	11.0

(a) Primarily electricity and natural gas swap contracts
(b) Primarily embedded foreign currency derivatives, electricity swap contracts and financial transmission rights

Additional information for Alliant Energy s recurring fair value measurements using significant unobservable inputs (Level 3 inputs) for the three months ended March 31 is as follows (in millions):

Derivative assets and liabilities, net:	**2009**	2008
Beginning balance, Jan. 1	**$14.7**	$27.7
Total gains or (losses) (realized/unrealized) included in changes in net assets (a)	**(6.1)**	(6.6)
Purchases, sales, issuances and settlements, net	**(6.0)**	(10.4)
Ending balance, March 31	**$2.6**	$10.7
The amount of total gains or (losses) for the period included in changes in net assets attributable to the change in unrealized gains or (losses) relating to assets and liabilities held at March 31 (a)	**($6.1)**	($1.5)

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

(11) DERIVATIVE INSTRUMENTS

(a) Accounting for Derivative Instruments -

Purpose - Alliant Energy periodically uses derivative instruments for risk management purposes to mitigate exposures to fluctuations in interest rates, certain commodity prices, transmission congestion costs and currency exchange rates. Alliant Energy s, IPL s and WPL s current derivative instruments have not been designated as hedging instruments, as defined under SFAS 133, Accounting for Derivative Instruments and Hedging Relationships. IPL s and WPL s derivative instruments include electricity swap contracts to mitigate pricing volatility for electricity supplied to their customers, natural gas swap contracts to supply fixed-price natural gas for the natural gas-fired electric generating facilities they operate, financial transmission rights (FTRs) acquired to manage transmission congestion costs, natural gas swap contracts to mitigate pricing volatility for natural gas supplied to their retail customers and embedded foreign currency derivatives related to Euro-denominated payment terms included in the wind turbine supply contract with Vestas-American Wind Technology, Inc. (Vestas). Resources derivative instruments include oil contracts, which are used to mitigate pricing volatility for anticipated purchases of diesel fuel to fuel standby generators owned by its Non-regulated Generation business.

Notional Amounts - As of March 31, 2009, Alliant Energy, IPL and WPL had notional amounts related to outstanding swap contracts, forward contracts, FTRs and foreign currency denominated payments that were accounted for as derivative instruments as follows (units in thousands):

	2009	2010	2011	2012	Total
Alliant Energy:					
Commodity:					
Electricity (MWhs)	408	1,881	846	--	3,135
FTRs (MWs)	6	--	--	--	6

Natural gas (Dths)	21,918	25,616	11,825	5,877	65,236
Oil (gallons)	378	378	--	--	756
Foreign exchange (Euro dollars)	--	44,420	14,806	--	59,226
IPL:					
Commodity:					
Electricity (MWhs)	408	1,409	--	--	1,817
FTRs (MWs)	3	--	--	--	3
Natural gas (Dths)	19,855	19,208	6,375	--	45,438
WPL:					
Commodity:					
Electricity (MWhs)	--	472	846	--	1,318
FTRs (MWs)	3	--	--	--	3
Natural gas (Dths)	2,063	6,408	5,450	5,877	19,798
Foreign exchange (Euro dollars)	--	44,420	14,806	--	59,226

Financial Statement Presentation - Alliant Energy records derivative instruments at fair value on the balance sheet as assets or liabilities. At March 31, 2009 and Dec. 31, 2008, the fair values of current derivative assets were included in Derivative assets, non-current derivative assets were included in Deferred charges and other, current derivative liabilities were included in Derivative liabilities and non-current derivative liabilities were included in Other long-term liabilities and deferred credits on the Condensed Consolidated Balance Sheets as follows (in millions):

	Alliant Energy		IPL		WPL	
	March 31, 2009	Dec. 31, 2008	**March 31, 2009**	Dec. 31, 2008	**March 31, 2009**	Dec. 31, 2008
Current derivative assets:						
Commodity contracts	**$7.3**	$18.1	**$4.6**	$7.4	**$2.6**	$10.7
Foreign exchange contracts	**--**	--	**--**	--	**--**	--
	$7.3	$18.1	**$4.6**	$7.4	**$2.6**	$10.7
Non-current derivative assets:						
Commodity contracts	**$2.5**	$2.4	**$0.6**	$1.3	**$1.8**	$1.0
Foreign exchange contracts	**11.2**	7.9	**--**	--	**11.2**	7.9
	$13.7	$10.3	**$0.6**	$1.3	**$13.0**	$8.9
Current derivative liabilities:						
Commodity contracts	**$82.3**	$76.7	**$69.8**	$68.9	**$12.5**	$7.8
Foreign exchange contracts	**1.8**	1.9	**0.5**	1.1	**1.3**	0.8
	$84.1	$78.6	**$70.3**	$70.0	**$13.8**	$8.6
Non-current derivative liabilities:						
Commodity contracts	**$52.9**	$22.8	**$31.3**	$18.2	**$21.6**	$4.6
Foreign exchange contracts	**1.1**	1.6	**--**	--	**1.1**	1.6
	$54.0	$24.4	**$31.3**	$18.2	**$22.7**	$6.2

IPL and WPL generally record gains and losses from their derivative instruments with offsets to regulatory assets or liabilities, based on their fuel and natural gas cost recovery mechanisms, as well as other specific regulatory authorizations. Gains and losses from derivative instruments not designated as hedging instruments for the three months ended March 31, 2009 were recorded as follows (in millions):

	Location of Gain (Loss) in Balance Sheet or Statement of Income		Gain (Loss) Alliant Energy	IPL	WPL
Commodity contracts	Balance Sheet	Regulatory assets	($79.7)	($54.3)	($25.4)
	Balance Sheet	Regulatory liabilities	2.2	1.5	0.7
Foreign exchange contracts	Balance Sheet	Regulatory liabilities	3.3	--	3.3

Losses during the first quarter of 2009 were primarily due to impacts of significant decreases in electricity and natural gas prices. Gains during the first quarter of 2009 were primarily due to impacts of foreign currency exchange rate fluctuations.

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

Certain of these agreements with credit risk-related contingency features are accounted for as derivative instruments. The aggregate fair value of all derivatives with credit risk-related contingent features that were in a net liability position on March 31, 2009 was $138.1 million, $101.6 million and $36.5 million for Alliant Energy, IPL and WPL, respectively. At March 31, 2009, Alliant Energy, IPL and WPL all had investment-grade credit ratings. However, they exceeded their liability position with certain counterparties requiring them to post cash collateral. This cash collateral has been allocated between the agreements accounted for as derivatives and those that are not accounted for as derivatives based on the percentage of the fair value of each on March 31, 2009. If the most restrictive credit risk-related contingent features for derivative agreements in a net liability position were triggered on March 31, 2009, Alliant Energy, IPL and WPL would be required to post an additional $127.8 million, $100.5 million and $27.3 million, respectively, of credit support to their counterparties. Refer to Note 4(c) for additional details of total cash collateral posted by Alliant Energy, IPL and WPL at March 31, 2009.

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

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

$3.2 million and WPL paying $2.0 million) in April 2009.

The counterparties to certain of these contracts were required to provide cash collateral to IPL and WPL. The outstanding cash collateral received by IPL and WPL was recorded in Accounts payable on the respective Condensed Consolidated Balance Sheets as follows (in millions):

	March 31, 2009	Dec. 31, 2008
IPL	**$3.2**	$5.4
WPL	**2.0**	1.4
Alliant Energy	**$5.2**	$6.8

The remaining cash collateral as of March 31, 2009 was returned to the counterparty in April 2009.

A summary of the losses resulting from changes in the value of weather derivatives for the three months ended March 31 was as follows (in millions):

	Electric Utility Operating Revenues		Gas Utility Operating Revenues	
	2009	2008	**2009**	2008
IPL	**($1.8)**	($1.7)	**($1.4)**	($1.5)
WPL	**(0.8)**	(0.9)	**(1.2)**	(1.3)
Alliant Energy	**($2.6)**	($2.6)	**($2.6)**	($2.8)

(12) COMMITMENTS AND CONTINGENCIES

(a) Capital Purchase Obligations - Alliant Energy, IPL and WPL have entered into capital purchase obligations that contain minimum future commitments. At March 31, 2009, Alliant Energy s, IPL s and WPL s minimum future commitments related to certain capital expenditures for their proposed wind projects were as follows (in millions):

	Alliant Energy	IPL	WPL
Wind projects (a)	$573	$109	$464

(a) Primarily related to capital purchase obligations under a master supply agreement executed in 2008 with Vestas for the purchase of 500 MW of wind turbine generator sets and related equipment to support IPL s and WPL s wind generation plans. A portion of the future payments are denominated in Euros and therefore are subject to change with fluctuations in currency exchange rates. In addition, the master supply agreement includes pricing terms that are subject to change if steel prices change by more than 10% between measurement dates defined in the master supply agreement. The amounts included in the above table reflect currency exchange rates and steel prices at March 31, 2009.

(b) Operating Expense Purchase Obligations - Alliant Energy, IPL and WPL have entered into various commodity supply, transportation and storage contracts to meet their obligations to deliver energy to their utility customers. Alliant Energy, IPL and WPL also enter into other operating expense purchase obligations with various vendors for other goods and services. At March 31, 2009, Alliant Energy s, IPL s and WPL s minimum future commitments related to these operating expense purchase obligations were as follows (in millions):

	Alliant Energy	IPL	WPL
Purchased power (a):			
DAEC (IPL)	$882	$882	$--
Kewaunee Nuclear Power Plant (Kewaunee) (WPL)	359	--	359
Other	397	158	239
	1,638	1,040	598
Coal (b)	466	121	43
Natural gas	446	182	264
Emission allowances (c)	45	45	--
Other (d)	28	14	11
	$2,623	$1,402	$916

(a) Includes payments required by purchased power agreements (PPAs) for capacity rights and minimum quantities of megawatt-hours (MWh) required to be purchased. Excludes contracts that are considered operating leases.
(b) Corporate Services has entered into system-wide coal purchase contracts on behalf of IPL and WPL that include minimum future commitments of $302 million that have not been directly assigned to IPL and WPL since the specific needs of each utility were not yet known as of March 31, 2009.
(c) IPL has entered into forward contracts to purchase sulfur dioxide (SO_2) emission allowances with vintage years of 2014 through 2017 and nitrogen oxide (NO_x) emission allowances with vintage years of 2009 through 2011 from various counterparties for $34 million and $11 million, respectively. IPL may utilize any SO_2 emission allowances acquired under these forward contracts to meet requirements under the Acid Rain Program regulations or the more stringent Clean Air Interstate Rule (CAIR) emission reduction standards. IPL entered into the forward contracts to purchase NO_x emission allowances solely for the purpose of future compliance with the CAIR emission reduction standards. IPL is currently monitoring the status of the forward contracts to purchase SO_2 and NO_x emission allowances in light of various court rulings in 2008 and anticipated U.S. Environmental Protection Agency (EPA) proceedings regarding changes to CAIR. Alliant Energy and IPL do not currently believe any losses from these forward contracts are probable and therefore have not recognized any loss contingency amounts related to the forward contracts as of March 31, 2009. Alliant Energy and IPL are currently unable to predict the ultimate impact these forward contracts will have on their financial condition and results of operations.
(d) Includes individual commitments incurred during the normal course of business that exceeded $1 million at March 31, 2009.

(c) Legal Proceedings -

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

Resources is in breach of the Indenture. On Jan. 20, 2009, the U.S. District Court for the District of Minnesota filed an order that the case be transferred to the U.S. District Court for the Western District of Wisconsin (Court) in response to a motion by Alliant Energy and Resources.

In October 2008, Alliant Energy and Resources requested the Trustee to execute a Fifth Supplemental Indenture to the Indenture pursuant to which Alliant Energy would assume the obligations of Resources under the Indenture and the Notes and Resources would be released from its obligations under the Indenture and the Notes. On Nov. 18, 2008, the Trustee amended the complaint to seek a declaratory judgment that it is not required to execute the Fifth Supplemental Indenture. On Nov. 25, 2008, Alliant Energy and Resources executed and delivered to the Trustee the Fifth Supplemental Indenture, which the Trustee has refused to execute.

Alliant Energy and Resources do not believe that Resources has transferred substantially all of its assets or that a default has occurred under the Indenture. In addition, Alliant Energy and Resources believe that, under the terms of the Indenture, the Trustee is required to execute the Fifth Supplemental Indenture, the Fifth Supplemental Indenture became effective on Nov. 25, 2008 without the Trustee s signature and, even if a default had occurred under the Indenture, such default would not have continued after the Fifth Supplemental Indenture was executed on Nov. 25, 2008. On Feb. 3, 2009, Alliant Energy and Resources served an answer to the amended complaint on the Trustee denying the claims in the complaint and asserting counterclaims for, among other things, a declaration that Resources has not breached the Indenture and an injunction compelling the Trustee to execute the Fifth Supplemental Indenture. Trial is scheduled for February 2010. Alliant Energy and Resources intend to vigorously defend against this litigation. Alliant Energy does not currently believe any losses from the alleged default are probable and therefore has not recognized any related loss contingency amounts as of March 31, 2009.

If Alliant Energy s and Resources interpretation of the Indenture is determined by the Court to be incorrect, a default may have occurred under the Indenture. If such default is continuing 90 days after the date the Notice of Default was received by Resources, an Event of Default will have occurred under the Indenture. The occurrence of an Event of Default under the Indenture would permit the Trustee or holders of at least 25% in aggregate principal amount of outstanding Notes to declare the principal amount of all outstanding Notes, plus accrued interest, to be immediately due and payable by Alliant Energy. The Trustee sent a notice (Acceleration Notice) dated April 22, 2009 to Alliant Energy and Resources that the holders of a majority of the principal amount of the Notes have determined that an Event of Default had occurred under the Indenture and declaring the full principal amount of the Notes due and payable. The aggregate principal amount of Notes outstanding under the Indenture is $402.5 million. Alliant Energy and Resources do not believe an Event of Default has occurred and do not intend to make any accelerated payments with respect to the Notes unless ordered to do so by the Court. If the Court determined Alliant Energy s and Resources interpretation of the Indenture to be incorrect, then Alliant Energy would be required to pay the aggregate principal amount of the Notes plus accrued interest and record a pre-tax loss of $364.3 million based on the amount of unamortized debt discount and unamortized debt expense on Alliant Energy s Condensed Consolidated Balance Sheet at March 31, 2009. In addition, an Event of Default under the Indenture would also trigger cross default provisions in Alliant Energy s credit facility agreement and IPL s sale of accounts receivable program agreement that could result in the termination of such agreements. Alliant Energy and IPL have obtained waivers from the necessary parties to prevent an Event of Default from occurring through Dec. 31, 2009 and June 30, 2009 under the credit facility agreement and sales of accounts receivable program agreement, respectively. An Event of Default under the Indenture would not trigger a cross default for either of IPL s or WPL s credit facility agreements. Refer to Notes 4(a) and 8 for the amounts outstanding under IPL s sale of accounts receivable program and Alliant Energy s credit facility agreement, respectively, at March 31, 2009.

On Feb. 27, 2009, a purported shareowner filed in Dane County Circuit Court, Wisconsin, a derivative complaint against certain current and former officers and directors of Alliant Energy alleging that such officers and directors breached their fiduciary duties by approving sales of assets of Resources in violation of the Indenture and wasting Alliant Energy s assets by compensating such officers and directors in connection with such sales. Alliant Energy believes the derivative complaint is without merit and intends to vigorously defend against this litigation. As previously reported, the purported shareowner made a demand asking the Board of Directors to take action to remedy the alleged breaches of fiduciary duties by certain officers and directors. Under Wisconsin law, if a shareowner commences a derivative proceeding after making such a demand, the court must dismiss such a derivative proceeding if a committee of independent directors appointed by independent directors determines, acting in good faith after conducting a reasonable inquiry upon which its conclusions are based, that maintenance of the derivative proceeding is not in the best interests of the corporation. As previously reported, the independent directors of Alliant Energy have appointed such a committee of independent directors to conduct an inquiry into the allegations made in the demand from the purported shareowner and to make a determination with respect thereto. On April 13, 2009, the court granted a stay of the lawsuit until July 31, 2009. Alliant Energy does not currently believe any losses from the purported shareowner action are probable and therefore has not recognized any related loss contingency amounts as of March 31, 2009.

Alliant Energy Cash Balance Pension Plan (Plan) - In February 2008, a class action lawsuit was filed against the Plan. The complaint alleges that Plan participants who received a lump sum distribution prior to their normal retirement age did not receive the full benefit to which they were entitled in violation of the Employee Retirement Income Security Act of 1974 because the Plan applied an improper interest crediting rate to project the cash balance account to their normal retirement age. The court has certified two subclasses of plaintiffs that in aggregate include all persons vested or partially vested in the Plan who received a lump sum distribution of the cash balance formula benefit from Jan. 1, 1998 through Aug. 17, 2006 including: 1) persons who received a lump sum distribution between Jan. 1, 1998, and Feb. 28, 2002; and 2) persons who received a lump sum distribution between Feb. 29, 2002, and Aug. 17, 2006. Alliant Energy is contesting the case and the parties are proceeding with discovery. In addition, the projection rate is being considered by the Internal Revenue Service (IRS) as part of its review of Alliant Energy s request for a favorable determination letter with respect to the tax-qualified status of the Plan. Alliant Energy is currently working with the IRS to resolve the determination letter issue. Alliant Energy is currently unable to predict the final outcome of these matters or their impact on its financial condition or results of operations but believes an adverse outcome could have a material effect on retirement plan funding and expense for Alliant Energy, IPL and WPL. Alliant Energy does not currently believe any losses from these matters are probable and therefore has not recognized any related loss contingency amounts as of March 31, 2009.

(d) Guarantees and Indemnifications - Alliant Energy provided indemnifications associated with various sales of its non-regulated and utility businesses/assets for losses resulting from potential breach of the representations and warranties made by Alliant Energy on the sale dates and for the breach of its obligations under the sale agreements. Alliant Energy believes the likelihood of having to make any material cash payments under these indemnifications is remote. Alliant Energy recorded liabilities of $1 million related to these indemnifications as of March 31, 2009. The terms of the indemnifications provided by Alliant Energy at March 31, 2009 for the various sales were generally as follows (in millions):

Businesses/Assets Sold	Disposal Date	Maximum Limit	Expiration Date
Brazil	First quarter of 2006	$10	January 2011
New Zealand	Fourth quarter of 2006	119 (a)	March 2012
Mexico	Second quarter of 2007	20	June 2012

(a) Based on exchange rates at March 31, 2009

Alliant Energy also continues to guarantee the abandonment obligations of Whiting Petroleum Corporation under the Point Arguello partnership agreements. The guarantee does not include a maximum limit. As of March 31, 2009, the present value of the abandonment obligations is estimated at $13 million. Alliant Energy believes that no payments will be made under this guarantee.

(e) Environmental Matters -

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

IPL and WPL record environmental liabilities related to these MGP sites based upon periodic studies, most recently updated in the third quarter of 2008. There are inherent uncertainties associated with the estimated remaining costs for MGP projects primarily due to unknown site conditions and potential changes in regulatory agency requirements. Management currently estimates the range of remaining costs to be incurred for the investigation, remediation and monitoring of Alliant Energy s sites to be $22 million ($17 million for IPL and $5 million for WPL) to $44 million ($37 million for IPL and $7 million for WPL). At March 31, 2009, Alliant Energy, IPL and WPL had recorded $33 million, $27 million and $6 million, respectively, in current and non-current environmental liabilities for their remaining costs to be incurred for these MGP sites.

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

(f) MISO RSG Settlements - In November 2008, FERC issued written orders, which resulted in the requirement for MISO to resettle RSG charges in its wholesale energy market. The resettlement process includes MISO collecting RSG charges from some market participants and refunding the collected amounts to other market participants. The resettlement process began in January 2009 and is currently expected to be completed in February 2010. Based upon initial estimates, both IPL and WPL anticipate they will be net recipients of RSG charge revenues upon completion of the resettlement process. IPL expects any net benefit from the RSG resettlement process will be refunded to its customers through IPL s retail and wholesale fuel-related cost recovery mechanisms as the refunds are received from MISO. WPL expects the wholesale portion of any net benefit from the RSG resettlement process will be refunded to wholesale customers through WPL s wholesale fuel-related cost recovery mechanism as the refunds are received from MISO. In April 2009, the PSCW issued an order requiring WPL to refund $3 million to its retail customers in the second quarter of 2009 for the estimated retail portion of the total net benefit anticipated from the RSG resettlement process for transactions occurring from April 26, 2006 through Dec. 31, 2008.

MISO has indicated it may not be able to recover a portion of the remaining net RSG resettlements due to historical market participants no longer existing, no longer participating in the MISO market, or having insufficient capital to accommodate resettlement. In addition, numerous parties have appealed for rehearing of FERC s decision, and it is expected that numerous parties will seek judicial review of FERC s decision. Given the uncertainty regarding the amount of future net benefits that will be received from MISO during the resettlement process, IPL and WPL have not recorded any assets or liabilities for future potential RSG resettlements as of March 31, 2009. At March 31, 2009, Alliant Energy and WPL had a $1 million regulatory liability recorded on their Condensed Consolidated Balance Sheets for anticipated refunds to WPL s retail customers equal to the retail portion of net benefits received from the RSG resettlement process in the first quarter of 2009.

(g) DAEC Spent Nuclear Fuel Litigation Settlement - In 2004, IPL, on behalf of itself and the other DAEC co-owners, filed a claim against the U.S. Department of Energy (DOE) for recovery of damages due to the DOE s delay in accepting spent nuclear fuel produced at DAEC. In 2006, IPL entered into an asset sale agreement (ASA) with FPL Energy Duane Arnold, LLC (FPL Energy), a subsidiary of FPL Group, Inc., to sell its 70% interest in DAEC. Under the terms of the ASA, FPL Energy assumed the obligations and rights to pursue and recover damages resulting from the DOE claim filed by IPL in 2004. The terms of the ASA also included a provision that granted IPL the right to a portion of any recovery of damages resulting from the DOE claim. In March 2009, FPL Energy entered into a settlement agreement with the DOE regarding this claim. Based on the terms of the ASA, the settlement agreement between FPL Energy and the DOE, and an agreement between FPL Energy and IPL, FPL Energy will pay IPL $16.6 million in the second quarter of 2009. Upon receipt of the proceeds from FPL Energy, and pursuant to an arrangement between IPL and its former DAEC joint partners, IPL will pay $5.0 million to its former DAEC joint partners for their 30% interest of the proceeds received from FPL Energy. At March 31, 2009, IPL recognized a receivable of $16.6 million for the amount due from FPL Energy and a payable of $5.0 million for the amount due to its former DAEC joint partners. IPL expects a substantial portion, if not all, of the remaining proceeds will be refunded to its customers and therefore has recognized a regulatory liability of $11.6 million at March 31, 2009.

(13) SEGMENTS OF BUSINESS

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

	Utility Business				Non-regulated Businesses				Alliant Energy
	Electric	Gas	Other	Total	RMT	Other	Total	Other	Consolidated
<u>Three Months Ended March 31, 2009</u>									
Operating revenues	**$608.1**	**$264.6**	**$31.0**	**$903.7**	**$35.9**	**$11.8**	**$47.7**	**($1.5)**	**$949.9**
Operating income (loss)	**45.2**	**29.4**	**1.7**	**76.3**	**(5.3)**	**2.0**	**(3.3)**	**0.7**	**73.7**
Net income (loss)				**68.3**	**(2.4)**	**(2.1)**	**(4.5)**	**8.8**	**72.6**
<u>Three Months Ended March 31, 2008</u>									
Operating revenues	$567.7	$308.5	$17.9	$894.1	$82.5	$16.5	$99.0	($1.1)	$992.0
Operating income	66.8	42.3	3.2	112.3	5.4	6.8	12.2	0.6	125.1
Net income				55.6	3.3	5.1	8.4	4.1	68.1

(14) OTHER INTANGIBLE ASSETS

<u>Emission Allowances</u> - Purchased emission allowances and related accumulated amortization were recorded as intangible assets in Other assets - deferred charges and other on the Condensed Consolidated Balance Sheets as follows (in millions):

	Alliant Energy		IPL		WPL	
	March 31, 2009	Dec. 31, 2008	**March 31, 2009**	Dec. 31, 2008	**March 31, 2009**	Dec. 31, 2008
Purchased emission allowances	**$65.1**	$65.1	**$57.9**	$57.9	**$7.2**	$7.2
Accumulated amortization	**5.1**	0.8	**4.0**	0.8	**1.1**	--

Amortization expense for emission allowances for the three months ended March 31 was recorded in Electric production fuel and purchased power in the Condensed Consolidated Statements of Income as follows (in millions):

	Alliant Energy		IPL		WPL	
	2009	2008	**2009**	2008	**2009**	2008
Amortization expense	**$4.3**	$--	**$3.2**	$--	**$1.1**	$--

At March 31, 2009, estimated amortization expense for 2009 to 2013 for purchased emission allowances was as follows (in millions):

	2009	2010	2011	2012	2013
IPL	$15.6	$15.6	$10.5	$8.7	$6.7
WPL	5.2	2.0	--	--	--
Alliant Energy	$20.8	$17.6	$10.5	$8.7	$6.7

(15) ASSET RETIREMENT OBLIGATIONS (AROs)

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

	Alliant Energy		IPL		WPL	
	2009	2008	**2009**	2008	**2009**	2008
Balance at Jan. 1	**$48.4**	$42.8	**$30.5**	$30.9	**$17.9**	$11.9
Liabilities incurred	**0.4**	--	**0.4**	--	**--**	--
Accretion expense	**0.9**	0.6	**0.4**	0.4	**0.5**	0.2
Liabilities settled (a)	**(2.1)**	(0.1)	**(2.1)**	(0.1)	**--**	--
Balance at March 31	**$47.6**	$43.3	**$29.2**	$31.2	**$18.4**	$12.1

(a) In the first quarter of 2009, IPL recorded liabilities settled of $1.8 million due to expenditures for asbestos and lead remediation at its Sixth Street and Prairie Creek Generating Stations required as a result of the impacts of the severe Midwest flooding at these generating stations in June 2008.

(16) VARIABLE INTEREST ENTITIES

After making an ongoing exhaustive effort, Alliant Energy concluded it was unable to obtain the information necessary from the counterparties (subsidiaries of Calpine Corporation) for the Riverside and RockGen Energy Center (RockGen) PPAs to determine whether the counterparties are variable interest entities per FIN 46R, Consolidation of Variable Interest Entities, and if Alliant Energy is the primary beneficiary. These PPAs are currently accounted for as operating leases. The counterparties sell some or all of their generating capacity to WPL and can sell their energy output to WPL. Alliant Energy s maximum exposure to loss from these PPAs is undeterminable due to the inability to obtain the necessary information to complete such evaluation. For the three months ended March 31, 2009 and 2008, Alliant Energy s (primarily WPL s) costs, excluding fuel costs, related to the Riverside PPA were $7.9 million and $8.6 million, respectively. WPL s costs, excluding fuel costs, related to the RockGen PPA were $4.1 million and $4.0 million for the three months ended March 31, 2009 and 2008, respectively.

(17) RELATED PARTIES

ATC - Pursuant to various agreements, WPL receives a range of transmission services from ATC. WPL provides operation, maintenance, and construction services to ATC. WPL and ATC also bill each other for use of shared facilities owned by each party. A summary of the related amounts billed between the parties for the three months ended March 31 are as follows (in millions):

	2009	2008
ATC billings to WPL	**$21.5**	$20.7
WPL billings to ATC	**2.2**	2.2

WPL owed ATC net amounts as follows (in millions):

	March 31, 2009	Dec. 31, 2008
WPL owed ATC	**$6.2**	$5.9

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(18) EARNINGS PER SHARE

A reconciliation of the weighted average common shares outstanding used in the basic and diluted earnings per weighted average common share (EPS) calculation for the three months ended March 31 was as follows (in thousands):

	2009	2008
Weighted average common shares outstanding:		
Basic EPS calculation	**110,218**	110,148
Effect of dilutive share-based awards	**87**	156
Diluted EPS calculation	**110,305**	110,304

The following options to purchase shares of common stock were excluded from the calculation of diluted EPS for the three months ended March 31 as the exercise prices were greater than the average market price:

	2009	2008
Options to purchase shares of common stock	**406,145**	