

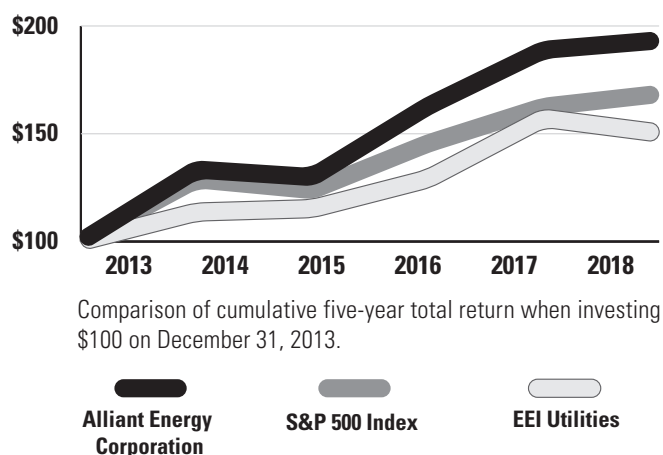
Annual Report 2018



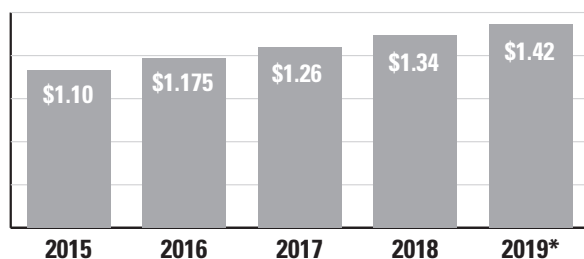
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Five-year return



Dividends per share



* Annual common stock dividend target. Payment of the 2019 dividends is subject to the actual dividend declaration by the Board of Directors.

2019 Online Annual Meeting

Thursday, May 16, at 9:00 a.m.
Central Daylight Time

To participate online:



virtualshareholdermeeting.com/LNT2019



To listen by phone:

1-877-328-2502

Please connect 10 minutes in advance. You will need your 16-digit control number (found on your proxy card) for access through the website or to provide to the phone operator.

You can access proxyvote.com to vote your shares and post questions in advance. If we are not able to respond to all questions during the meeting, the questions and answers will be posted to virtualshareholdermeeting.com/LNT2019 after it.

The meeting will be virtual only. Please note that if you choose to listen by phone, you will not be able to vote or ask questions during the actual meeting.

Who we are

Alliant Energy Corporation (NASDAQ: LNT) is a Midwest U.S. energy company with annual operating revenues of more than \$3.5 billion. Our company is primarily engaged in electric generation and the distribution of electricity and natural gas. We serve approximately 965,000 electric and 415,000 natural gas customers through our two public utility subsidiaries, Interstate Power and Light (IPL) and Wisconsin Power and Light (WPL). IPL provides retail electric and gas service in Iowa, and WPL provides retail and wholesale electric and retail gas service in Wisconsin. IPL also sells electricity to wholesale customers in Minnesota, Illinois and Iowa.



Headquartered in Madison, Wisconsin, Alliant Energy has approximately 4,000 employees and more than 25,000 shareowners of record. Based on electric sales, the largest cities served in Iowa and Wisconsin are Cedar Rapids and Beloit, respectively.

SELECTED FINANCIAL AND OPERATING STATISTICS

Financial Information - Alliant Energy

	2018 (a)	2017 (a)	2016 (a)	2015	2014
(dollars in millions, except per share data)					
Income Statement Data:					
Revenues	\$3,534.5	\$3,382.2	\$3,320.0	\$3,253.6	\$3,350.3
Amounts attributable to Alliant Energy common shareowners:					
Income from continuing operations, net of tax	512.1	455.9	373.8	380.7	385.5
Income (loss) from discontinued operations, net of tax	—	1.4	(2.3)	(2.5)	(2.4)
Net income	512.1	457.3	371.5	378.2	383.1
Common Stock Data:					
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):					
Income from continuing operations, net of tax	\$2.19	\$1.99	\$1.65	\$1.69	\$1.74
Loss from discontinued operations, net of tax	\$—	\$—	(\$0.01)	(\$0.01)	(\$0.01)
Net income	\$2.19	\$1.99	\$1.64	\$1.68	\$1.73
Common shares outstanding at year-end (000s)	236,063	231,349	227,674	226,918	221,871
Dividends declared per common share	\$1.34	\$1.26	\$1.175	\$1.10	\$1.02
Market value per share at year-end	\$42.25	\$42.61	\$37.89	\$31.225	\$33.21
Book value per share at year-end	\$19.43	\$18.08	\$16.96	\$16.41	\$15.50
Market capitalization at year-end	\$9,973.7	\$9,857.8	\$8,626.6	\$7,085.5	\$7,368.3
Other Selected Financial Data:					
Cash flows from operating activities (b)	\$527.7	\$521.6	\$392.8	\$871.2	\$891.6
Construction and acquisition expenditures	\$1,633.9	\$1,466.9	\$1,196.8	\$1,034.3	\$902.8
Total assets at year-end	\$15,426.0	\$14,187.8	\$13,373.8	\$12,495.2	\$12,063.5
Long-term obligations, net	\$5,506.1	\$4,870.6	\$4,325.1	\$3,837.0	\$3,768.7

- (a) Refer to “Results of Operations” in MDA for discussion of the 2018, 2017 and 2016 results of operations.
- (b) Alliant Energy’s cash flows from operating activities were restated for 2017 and 2016 as a result of the adoption of a new cash flows presentation accounting standard as discussed in Note 1(n). Alliant Energy’s cash flows from operating activities for 2015 and 2014 were not retrospectively amended for this new presentation standard as the information was not available due to the implementation of a new customer billing and information system in 2016.

Electric Operating Information - Alliant Energy

	2018	2017	2016
Revenues (in millions)	\$3,000.3	\$2,894.7	\$2,875.5
Sales (000s MWh)	31,584	30,192	29,838
Customers (End of Period)	965,514	962,121	958,318
Sources of electric energy (000s MWh):			
Gas	9,731	5,315	4,505
Purchased power:			
Nuclear	3,538	3,727	3,444
Wind (a)	1,086	1,268	1,079
Other (a)	4,076	6,242	8,912
Wind (a)	1,603	1,591	1,382
Coal	12,113	12,380	11,019
Other (a)	240	239	228
Total	32,387	30,762	30,569

- (a) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements.

Gas Operating Information - Alliant Energy

	2018	2017	2016
Revenues (in millions)	\$446.6	\$400.9	\$355.4
Sales (000s Dths)	143,746	126,166	125,228
Retail Customers (End of Period)	415,174	413,054	411,758

DEFINITIONS

The following abbreviations or acronyms used in this report are defined below:

<u>Abbreviation or Acronym</u>	<u>Definition</u>	<u>Abbreviation or Acronym</u>	<u>Definition</u>
AEF	Alliant Energy Finance, LLC	IPL	Interstate Power and Light Company
AFUDC	Allowance for funds used during construction	IRS	Internal Revenue Service
Alliant Energy	Alliant Energy Corporation	ITC	ITC Midwest LLC
ARO	Asset retirement obligation	IUB	Iowa Utilities Board
ATC	American Transmission Company LLC	KWh	Kilowatt-hour
ATC Holdings	Interest in American Transmission Company LLC and ATC Holdco LLC	Marshalltown	Marshalltown Generating Station
ATI	AE Transco Investments, LLC	MDA	Management's Discussion and Analysis of Financial Condition and Results of Operations
CA	Certificate of authority	MGP	Manufactured gas plant
CAA	Clean Air Act	MISO	Midcontinent Independent System Operator, Inc.
CCR	Coal combustion residuals	MW	Megawatt
CO ₂	Carbon dioxide	MWh	Megawatt-hour
Corporate Services	Alliant Energy Corporate Services, Inc.	N/A	Not applicable
CPCN	Certificate of Public Convenience and Necessity	Note(s)	Notes to Consolidated Financial Statements
CWIP	Construction work in progress	NO _x	Nitrogen oxide
DAEC	Duane Arnold Energy Center	OIP	Alliant Energy 2010 Omnibus Incentive Plan
DCP	Alliant Energy Deferred Compensation Plan	OPEB	Other postretirement benefits
DLIP	Alliant Energy Director Long Term Incentive Plan	PPA	Purchased power agreement
Dth	Dekatherm	PSCW	Public Service Commission of Wisconsin
EGU	Electric generating unit	Receivables Agreement	Receivables Purchase and Sale Agreement
EPA	U.S. Environmental Protection Agency	Riverside	Riverside Energy Center
EPB	Emissions plan and budget	SCR	Selective catalytic reduction
EPS	Earnings per weighted average common share	SEC	Securities and Exchange Commission
FASB	Financial Accounting Standards Board	SO ₂	Sulfur dioxide
FERC	Federal Energy Regulatory Commission	Federal Tax Reform	Tax Cuts and Jobs Act
Financial Statements	Consolidated Financial Statements	U.S.	United States of America
FTR	Financial transmission right	VEBA	Voluntary Employees' Beneficiary Association
Fuel-related	Electric production fuel and purchased power	VIE	Variable interest entity
FWEC	Forward Wind Energy Center	Whiting Petroleum	Whiting Petroleum Corporation
GAAP	U.S. generally accepted accounting principles	WPL	Wisconsin Power and Light Company
GHG	Greenhouse gases	WPL Transco	WPL Transco, LLC

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. These forward-looking statements can be identified as such because the statements include words such as “may,” “believe,” “expect,” “anticipate,” “plan,” “project,” “will,” “projections,” “estimate,” or other words of similar import. Similarly, statements that describe future financial performance or plans or strategies are forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Some, but not all, of the risks and uncertainties of Alliant Energy, IPL and WPL that could materially affect actual results include:

- IPL's and WPL's ability to obtain adequate and timely rate relief to allow for, among other things, earning a return on rate base additions and the recovery of costs, including fuel costs, operating costs, transmission costs, environmental compliance and remediation costs, deferred expenditures, deferred tax assets, capital expenditures, and remaining costs related to EGUs that may be permanently closed, earning their authorized rates of return, and the payments to their parent of expected levels of dividends;
- federal and state regulatory or governmental actions, including the impact of energy, tax, financial and health care legislation, and regulatory agency orders;
- the impact of customer- and third party-owned generation, including alternative electric suppliers, in IPL's and WPL's service territories on system reliability, operating expenses and customers' demand for electricity;

- the impact of energy efficiency, franchise retention and customer disconnects on sales volumes and margins;
- the impact that price changes may have on IPL's and WPL's customers' demand for electric, gas and steam services and their ability to pay their bills;
- the ability to utilize tax credits and net operating losses generated to date, and those that may be generated in the future, before they expire;
- the direct or indirect effects resulting from terrorist incidents, including physical attacks and cyber attacks, or responses to such incidents;
- the impact of penalties or third-party claims related to, or in connection with, a failure to maintain the security of personally identifiable information, including associated costs to notify affected persons and to mitigate their information security concerns;
- employee workforce factors, including changes in key executives, ability to hire and retain employees with specialized skills, ability to create desired corporate culture, collective bargaining agreements and negotiations, work stoppages or restructurings;
- weather effects on results of utility operations;
- issues associated with environmental remediation and environmental compliance, including compliance with all environmental and emissions permits, the CCR rule, future changes in environmental laws and regulations, including the EPA's regulations for CO2 emissions reductions from new and existing fossil-fueled EGUs, and litigation associated with environmental requirements;
- the ability to defend against environmental claims brought by state and federal agencies, such as the EPA, state natural resources agencies or third parties, such as the Sierra Club, and the impact on operating expenses of defending and resolving such claims;
- continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;
- inflation and interest rates;
- the impact of the economy in IPL's and WPL's service territories and the resulting impacts on sales volumes, margins and the ability to collect unpaid bills;
- the ability to complete construction of wind projects within the cost caps set by regulators and to meet all requirements to qualify for the full level of production tax credits;
- changes in the price of delivered natural gas, purchased electricity and coal due to shifts in supply and demand caused by market conditions and regulations;
- disruptions in the supply and delivery of natural gas, purchased electricity and coal;
- changes in the price of transmission services and the ability to recover the cost of transmission services in a timely manner;
- the direct or indirect effects resulting from breakdown or failure of equipment in the operation of electric and gas distribution systems, such as mechanical problems and explosions or fires, and compliance with electric and gas transmission and distribution safety regulations;
- issues related to the availability and operations of EGUs, including start-up risks, breakdown or failure of equipment, performance below expected or contracted levels of output or efficiency, operator error, employee safety, transmission constraints, compliance with mandatory reliability standards and risks related to recovery of resulting incremental costs through rates;
- impacts that storms or natural disasters in IPL's and WPL's service territories may have on their operations and recovery of costs associated with restoration activities;
- any material post-closing adjustments related to any past asset divestitures, including the sales of IPL's Minnesota electric and natural gas assets, and Whiting Petroleum, which could result from, among other things, indemnification agreements, warranties, parental guarantees or litigation;
- Alliant Energy's ability to sustain its dividend payout ratio goal;
- changes to costs of providing benefits and related funding requirements of pension and OPEB plans due to the market value of the assets that fund the plans, economic conditions, financial market performance, interest rates, life expectancies and demographics;
- material changes in employee-related benefit and compensation costs;
- risks associated with operation and ownership of non-utility holdings;
- changes in technology that alter the channels through which customers buy or utilize Alliant Energy's, IPL's or WPL's products and services;
- impacts on equity income from unconsolidated investments due to further potential changes to ATC's authorized return on equity;
- impacts of IPL's future tax benefits from Iowa rate-making practices, including deductions for repairs expenditures, allocation of mixed service costs and state depreciation, and recoverability of the associated regulatory assets from customers, when the differences reverse in future periods;
- the impacts of adjustments made to deferred tax assets and liabilities from changes in the tax laws;

- changes to the creditworthiness of counterparties with which Alliant Energy, IPL and WPL have contractual arrangements, including participants in the energy markets and fuel suppliers and transporters;
- current or future litigation, regulatory investigations, proceedings or inquiries;
- reputational damage from negative publicity, protests, fines, penalties and other negative consequences resulting in regulatory and/or legal actions;
- the effect of accounting standards issued periodically by standard-setting bodies;
- the ability to successfully complete tax audits and changes in tax accounting methods with no material impact on earnings and cash flows; and
- other factors listed in MDA.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This MDA includes information relating to Alliant Energy, IPL and WPL, as well as AEF and Corporate Services. Where appropriate, information relating to a specific entity has been segregated and labeled as such. The following discussion and analysis should be read in conjunction with the Financial Statements and Notes included in this report. Unless otherwise noted, all “per share” references in MDA refer to earnings per diluted share.

OVERVIEW

Description of Business

General - Alliant Energy is a Midwest U.S. energy holding company whose primary subsidiaries are IPL, WPL, AEF and Corporate Services. IPL and WPL are public utilities, and AEF is the parent company for Alliant Energy's non-utility businesses and holds all of Alliant Energy's interest in ATC Holdings. Corporate Services provides administrative services to Alliant Energy and its subsidiaries.

Utilities and Corporate Services - IPL and WPL own a portfolio of EGUs located in Iowa, Wisconsin and Minnesota with a diversified fuel mix including natural gas, renewable resources and coal. The output from these EGUs, supplemented with purchased power, is used to provide electric service to approximately 965,000 electric customers in the upper Midwest. The utility business also procures natural gas from various suppliers to provide service to approximately 415,000 retail gas customers in the upper Midwest. Alliant Energy's utility business is its primary source of earnings and cash flows. The earnings and cash flows from the utilities and Corporate Services business are sensitive to various external factors including, but not limited to, the amount and timing of rates approved by regulatory authorities, the impact of weather and economic conditions on electric and gas sales volumes, and other factors listed in “Forward-looking Statements.”

ATC Holdings - ATI, a wholly-owned subsidiary of AEF, holds all of Alliant Energy's interest in ATC Holdings.

Non-utility Business and Parent - AEF also manages various businesses including Transportation (short-line railway and barge transportation services), a non-utility wind farm, the Sheboygan Falls Energy Facility and several other modest holdings.

Strategic Overview

Alliant Energy's mission is to deliver energy solutions and exceptional service that its customers and communities count on - safely, efficiently and responsibly. Our mission is supported by a strategy focused on meeting the evolving expectations of customers while providing an attractive return for investors. This strategy includes the following key elements:

Providing affordable energy solutions to customers - Alliant Energy's strategy focuses on affordable energy solutions that support retention and growth of its existing customers and attract new customers to its service territories.

Key Highlights in 2018 (refer to “Rate Matters” for details) -

- Federal Tax Reform savings provided to retail electric and gas customers.
- Amendment to shorten the term of the DAEC nuclear PPA and the execution of four new wind PPAs approved by the IUB in December 2018.
- Rate settlement approved by the PSCW in December 2018 authorizing electric and gas base rates for WPL retail customers to remain flat until 2020.

Making customer-focused investments - Alliant Energy's strategy drives a capital allocation process focused on: 1) transitioning its generation portfolio to meet the growing interest of customers for cleaner sources of energy, 2) upgrading its electric and gas distribution systems to strengthen safety and resiliency, as well as enable distributed energy solutions in its service territories, and 3) enhancing its customers' experience with evolving technology and greater flexibility.

Key Highlights in 2018 (refer to "Customer Investments" for details) -

- Expansion of renewable generation with the required regulatory approvals and progress with construction of IPL's new wind projects located in Iowa, as well as WPL's acquisition of FWEC in April 2018.
- Expansion of natural gas-fired generation with the construction of WPL's West Riverside facility.
- Completion of the remaining major environmental controls at IPL's and WPL's newer, larger and more efficient coal-fired generating units with the installation of an SCR at WPL's Columbia Unit 2.
- Progress with implementing advanced metering infrastructure for IPL customers.

Growing customer demand - Alliant Energy's strategy supports expanding electric and gas usage in its service territories by promoting electrification initiatives and economic development in the communities it serves.

Key Highlights in 2018 -

- Progress with certifying development-ready sites throughout Iowa and Wisconsin, including finalizing certification of the Big Cedar Industrial Center Mega-site, a 1,300-acre rail-served ready-to-build manufacturing and industrial site in Cedar Rapids, Iowa, which is in close proximity to the regional airport and interstate freeways and accesses IPL's electric services.

RESULTS OF OPERATIONS

Results of operations include financial information prepared in accordance with GAAP as well as utility electric margins and utility gas margins, which are not measures of financial performance under GAAP. Utility electric margins are defined as electric revenues less electric production fuel, purchased power and electric transmission service expenses. Utility gas margins are defined as gas revenues less cost of gas sold. Utility electric margins and utility gas margins are non-GAAP financial measures because they exclude other utility and non-utility revenues, other operation and maintenance expenses, depreciation and amortization expenses, and taxes other than income tax expense.

Management believes that utility electric and gas margins provide a meaningful basis for evaluating and managing utility operations since electric production fuel, purchased power and electric transmission service expenses and cost of gas sold are generally passed through to customers, and therefore, result in changes to electric and gas revenues that are comparable to changes in such expenses. The presentation of utility electric and gas margins herein is intended to provide supplemental information for investors regarding operating performance. These utility electric and gas margins may not be comparable to how other entities define utility electric and gas margin. Furthermore, these measures are not intended to replace operating income as determined in accordance with GAAP as an indicator of operating performance.

Additionally, the table below includes EPS from continuing operations for Utilities and Corporate Services, ATC Holdings, and Non-utility and Parent, which are non-GAAP financial measures. Alliant Energy believes these non-GAAP financial measures are useful to investors because they facilitate an understanding of segment performance and trends, and provide additional information about Alliant Energy's operations on a basis consistent with the measures that management uses to manage its operations and evaluate its performance.

Financial Results Overview - Alliant Energy's net income and EPS attributable to Alliant Energy common shareowners were as follows (dollars in millions, except per share amounts):

	2018		2017	
	Income	EPS	Income	EPS
Continuing operations:				
Utilities and Corporate Services	\$485.7	\$2.08	\$416.7	\$1.82
ATC Holdings	28.4	0.12	25.4	0.11
Non-utility and Parent	(2.0)	(0.01)	13.8	0.06
Income from continuing operations	512.1	2.19	455.9	1.99
Income from discontinued operations	—	—	1.4	—
Net income	<u>\$512.1</u>	<u>\$2.19</u>	<u>\$457.3</u>	<u>\$1.99</u>

Alliant Energy's Utilities and Corporate Services income from continuing operations increased \$69 million in 2018 compared to 2017. The increase was primarily due to higher margins resulting from IPL's and WPL's increasing rate base, higher retail electric and gas sales due to temperatures in 2018 compared to 2017, and higher AFUDC. These items were partially offset by higher depreciation expense.

Operating income and a reconciliation of utility electric and gas margins to the most directly comparable GAAP measure, operating income, was as follows (in millions):

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Operating income	\$694.4	\$671.2	\$554.1	\$350.8	\$304.1	\$277.6	\$312.9	\$333.7	\$337.2
Electric utility revenues	\$3,000.3	\$2,894.7	\$2,875.5	\$1,731.1	\$1,598.9	\$1,569.7	\$1,269.2	\$1,295.8	\$1,305.8
Electric production fuel and purchased power expenses	(855.0)	(818.1)	(854.0)	(469.0)	(443.6)	(430.5)	(386.0)	(374.5)	(423.5)
Electric transmission service expense	(495.7)	(480.9)	(527.9)	(352.9)	(310.4)	(359.7)	(142.8)	(170.5)	(168.2)
Utility Electric Margin (non-GAAP)	1,649.6	1,595.7	1,493.6	909.2	844.9	779.5	740.4	750.8	714.1
Gas utility revenues	446.6	400.9	355.4	266.2	226.0	204.0	180.4	174.9	151.4
Cost of gas sold	(232.3)	(211.4)	(194.3)	(129.6)	(115.6)	(111.0)	(102.7)	(95.8)	(83.3)
Utility Gas Margin (non-GAAP)	214.3	189.5	161.1	136.6	110.4	93.0	77.7	79.1	68.1
Other utility revenues	48.0	47.5	48.6	45.0	45.4	46.7	3.0	2.1	1.9
Non-utility revenues	39.6	39.1	40.5	—	—	—	—	—	—
Asset valuation charges for Franklin County wind farm	—	—	(86.4)	—	—	—	—	—	—
Other operation and maintenance expenses	(645.8)	(633.2)	(589.4)	(402.6)	(396.6)	(376.9)	(241.6)	(238.5)	(209.6)
Depreciation and amortization expenses	(506.9)	(461.8)	(411.6)	(283.5)	(245.0)	(210.8)	(219.4)	(212.9)	(192.5)
Taxes other than income tax expense	(104.4)	(105.6)	(102.3)	(53.9)	(55.0)	(53.9)	(47.2)	(46.9)	(44.8)
Operating income	\$694.4	\$671.2	\$554.1	\$350.8	\$304.1	\$277.6	\$312.9	\$333.7	\$337.2

Operating Income Variances - Variances between periods in operating income were as follows (in millions):

2018 vs. 2017:	Alliant Energy	IPL	WPL
Total higher utility electric margin variance (Refer to details below)	\$54	\$64	(\$10)
Total higher utility gas margin variance (Refer to details below)	25	26	(1)
Total higher other operation and maintenance expenses variance (Refer to details below)	(13)	(6)	(3)
Higher depreciation and amortization expense, primarily due to new IPL depreciation rates effective May 2018 and additional plant in service in 2017 and 2018. Depreciation commenced on IPL's Marshalltown Generating Station in April 2017.	(50)	(44)	(7)
Lower depreciation expense at IPL due to write-down of regulatory assets in 2017 resulting from the IPL electric rate review settlement (Refer to Note 2 for details)	5	5	—
Other	2	2	—
	<u>\$23</u>	<u>\$47</u>	<u>(\$21)</u>
2017 vs. 2016:	Alliant Energy	IPL	WPL
Asset valuation charges for Franklin County wind farm in 2016 (Refer to Note 3 for details)	\$86	\$—	\$—
Total higher utility electric margin variance (Refer to details below)	102	65	37
Total higher utility gas margin variance (Refer to details below)	28	17	11
Higher other operation and maintenance expenses variance (Refer to details below)	(44)	(20)	(29)
Higher depreciation and amortization expense primarily due to additional plant in service in 2017, including impacts from Marshalltown	(33)	(29)	(8)
Higher depreciation expense at WPL due to updated depreciation rates effective January 2017 approved by the PSCW and FERC	(12)	—	(12)
Higher depreciation expense at IPL due to write-down of regulatory assets in 2017 resulting from the IPL electric rate review settlement (Refer to Note 2 for details)	(5)	(5)	—
Other	(5)	(1)	(3)
	<u>\$117</u>	<u>\$27</u>	<u>(\$4)</u>

Electric Revenues and Sales Summary - Electric revenues (in millions), and MWh sales (in thousands), were as follows:

	Revenues			MWhs Sold		
	2018	2017	2016	2018	2017	2016
Alliant Energy						
Retail	\$2,687.8	\$2,569.6	\$2,564.8	25,684	25,095	25,339
Sales for resale	259.2	268.8	266.7	5,804	5,003	4,399
Other	53.3	56.3	44.0	96	94	100
	<u>\$3,000.3</u>	<u>\$2,894.7</u>	<u>\$2,875.5</u>	<u>31,584</u>	<u>30,192</u>	<u>29,838</u>

Gas Revenues and Sales Summary - Gas revenues (in millions), and Dth sales (in thousands), were as follows:

	Revenues			Dths Sold		
	2018	2017	2016	2018	2017	2016
Alliant Energy						
Retail	\$402.3	\$364.6	\$322.4	53,389	49,250	47,743
Transportation/Other	44.3	36.3	33.0	90,357	76,916	77,485
	<u>\$446.6</u>	<u>\$400.9</u>	<u>\$355.4</u>	<u>143,746</u>	<u>126,166</u>	<u>125,228</u>

Temperatures - Estimated increases (decreases) to electric and gas margins from the impacts of temperatures were as follows (in millions):

	Electric Margins			Gas Margins		
	2018	2017	2016	2018	2017	2016
IPL	\$20	(\$8)	\$3	\$1	(\$4)	(\$4)
WPL	12	(8)	1	2	(2)	(3)
Total Alliant Energy	<u>\$32</u>	<u>(\$16)</u>	<u>\$4</u>	<u>\$3</u>	<u>(\$6)</u>	<u>(\$7)</u>

Utility Electric Margin Variances - The following items contributed to increased (decreased) utility electric margins (in millions):

2018 vs. 2017:	Alliant Energy	IPL	WPL
Higher revenues at IPL due to changes in electric tax benefit rider credits on customers' bills (offset by changes in income tax expense)	\$48	\$48	\$—
Estimated changes in sales volumes caused by temperatures (Refer to "Temperatures" above for details)	48	28	20
Impact of IPL's retail electric base rate increases (Refer to Note 2 for details)	45	45	—
Lower transmission cost recovery amortization at WPL (a)	26	—	26
Changes in electric fuel-related costs, net of recoveries at WPL (b)	12	—	12
Decrease in revenues due to Federal Tax Reform benefits returning to customers (offset by lower tax expense) (Refer to Note 2 for details)	(80)	(39)	(41)
Lower wholesale margins primarily due to the expiration of wholesale power supply agreements in 2017 and 2018	(20)	(8)	(12)
Lower revenues at WPL due to its earnings sharing mechanism (Refer to Note 2 for details)	(20)	—	(20)
Lower revenues at IPL related to changes in recovery amounts for energy efficiency costs through the energy efficiency rider (c)	(8)	(8)	—
Other	3	(2)	5
	<u>\$54</u>	<u>\$64</u>	<u>(\$10)</u>

2017 vs. 2016:	Alliant Energy	IPL	WPL
Impact of IPL's interim retail electric base rate increase (Refer to Note 2 for details)	\$77	\$77	\$—
Higher margins at WPL from the impact of its 2017/2018 Test Period retail electric base rate increase (Refer to Note 2 for details)	63	—	63
Higher revenues at IPL due to 2016 retail electric customer billing credits related to the approved retail electric base rate freeze through 2016	9	9	—
Estimated changes in sales volumes caused by temperatures (Refer to "Temperatures" above for details)	(20)	(11)	(9)
Revenue requirement adjustment in 2016 related to IUB's authorization to reduce certain tax benefits associated with changes in IPL's tax accounting methods	(14)	(14)	—
Changes in electric fuel-related costs, net of recoveries at WPL (b)	(12)	—	(12)
Lower wholesale margins at WPL primarily due to the expiration of a wholesale power supply agreement on May 31, 2017	(8)	—	(8)
Other	7	4	3
	<u>\$102</u>	<u>\$65</u>	<u>\$37</u>

- (a) The December 2016 PSCW order for WPL's 2017/2018 Test Period electric and gas base rate review authorized changes in electric transmission cost recovery amortizations for 2018.
- (b) WPL estimates the increase (decrease) to electric margins from amounts within the approved bandwidth of plus or minus 2% of forecasted fuel-related expenses determined by the PSCW each year was approximately \$6 million, (\$6) million and \$6 million in 2018, 2017 and 2016, respectively.
- (c) Changes in electric energy efficiency revenues were mostly offset by changes in energy efficiency expense included in other operation and maintenance expenses.

Electric Sales Trends - Alliant Energy's retail electric sales volumes increased 2% in 2018 and decreased 1% in 2017 primarily due to the impact of changes in temperatures in its service territories on demand from residential and commercial customers. The 2017 decrease was also caused by an extra day of retail sales during 2016 due to the leap year, partially offset by increases in WPL's industrial sales from higher customer production and customer expansions.

Utility Gas Margin Variances - The following items contributed to increased (decreased) utility gas margins (in millions):

2018 vs. 2017:	Alliant Energy	IPL	WPL
Higher revenues at IPL related to changes in recovery amounts for energy efficiency costs through the energy efficiency rider (a)	\$12	\$12	\$—
Estimated changes in sales volumes caused by temperatures (Refer to "Temperatures" above for details)	9	5	4
Impact of IPL's interim retail gas base rate increase (Refer to Note 2 for details)	6	6	—
Decrease in revenues due to Federal Tax Reform benefits returning to customers (offset by lower tax expense) (Refer to Note 2 for details)	(6)	(1)	(5)
Higher revenues at IPL due to lower gas tax benefit rider credits on customer's bills (offset by changes in tax expense)	4	4	—
	<u>\$25</u>	<u>\$26</u>	<u>(\$1)</u>
2017 vs. 2016:	Alliant Energy	IPL	WPL
Impact of WPL's retail gas base rate increase (Refer to Note 2 for details)	\$9	\$—	\$9
Higher revenues at IPL related to changes in recovery amounts for energy efficiency costs through the energy efficiency rider (a)	8	8	—
Higher revenues at IPL due to lower gas tax benefit rider credits on customer's bills (offset by changes in tax expense)	6	6	—
Estimated changes in sales volumes caused by temperatures (Refer to "Temperatures" above for details)	1	—	1
Other	4	3	1
	<u>\$28</u>	<u>\$17</u>	<u>\$11</u>

- (a) Changes in gas energy efficiency revenues were mostly offset by changes in energy efficiency expense included in other operation and maintenance expenses.

Other Operation and Maintenance Expenses - The following items contributed to (increased) decreased other operation and maintenance expenses (in millions):

2018 vs. 2017:	Alliant Energy	IPL	WPL
Higher performance compensation expense	(\$11)	(\$7)	(\$4)
Higher generation operation and maintenance expenses at WPL primarily attributed to higher facility outages during 2018 compared to 2017	(7)	—	(7)
Higher energy efficiency expense at IPL (a)	(6)	(6)	—
Higher bad debt expense	(5)	(5)	—
Lower energy efficiency cost recovery amortizations at WPL (b)	13	—	13
Charges related to cancelled software projects in 2017	6	3	3
Write-down of regulatory assets in 2017 due to the IPL electric rate review settlement (Refer to Note 2 for details)	4	4	—
Other	(7)	5	(8)
	<u>(\$13)</u>	<u>(\$6)</u>	<u>(\$3)</u>
2017 vs. 2016:	Alliant Energy	IPL	WPL
Higher energy efficiency cost recovery amortizations at WPL (b)	(\$27)	\$—	(\$27)
Charges related to cancelled software projects in 2017	(6)	(3)	(3)
Write-down of regulatory assets in 2017 due to the IPL electric rate review settlement (Refer to Note 2 for details)	(4)	(4)	—
Higher energy efficiency expense at IPL (a)	(3)	(3)	—
Other	(4)	(10)	1
	<u>(\$44)</u>	<u>(\$20)</u>	<u>(\$29)</u>

- (a) Changes in IPL's energy efficiency expense were offset by changes in electric and gas energy efficiency revenues.
(b) The December 2016 PSCW order for WPL's 2017/2018 Test Period electric and gas base rate review authorized changes in energy efficiency cost recovery amortizations for 2017 and 2018.

Other Income and Deductions Variances - The following items contributed to (increased) decreased other income and deductions (in millions):

2018 vs. 2017:	Alliant Energy	IPL	WPL
Higher interest expense primarily due to higher average outstanding long-term debt balances (Refer to Note 9(b) for details)	(\$31)	(\$7)	(\$4)
Higher equity income primarily due to increased earnings from non-utility wind farm (Refer to Note 6 for details)	10	—	—
Higher AFUDC primarily due to increased CWIP balances related to new wind generation and WPL's West Riverside Energy Center	26	11	15
Other	9	4	6
	<u>\$14</u>	<u>\$8</u>	<u>\$17</u>
2017 vs. 2016:	Alliant Energy	IPL	WPL
Higher interest expense primarily due to higher average outstanding long-term debt balances (Refer to Note 9(b) for details)	(\$19)	(\$9)	(\$2)
Lower equity income at WPL due to the transfer of its interest in ATC to ATI on December 31, 2016 (Refer to Note 6 for details)	—	—	(39)
Higher (lower) AFUDC primarily due to increased (decreased) CWIP balances	(13)	(21)	8
Other	4	—	(1)
	<u>(\$28)</u>	<u>(\$30)</u>	<u>(\$34)</u>

Income Taxes - Refer to Note 12 for details of effective income tax rates for continuing operations.

Other Future Considerations - In addition to items discussed in this report, the following key items could impact Alliant Energy's, IPL's and WPL's future financial condition or results of operations:

- **Financing Plans** - Alliant Energy currently expects to issue up to \$400 million of common stock in 2019 through the equity forward agreements that were executed in December 2018 and the Shareowner Direct Plan. IPL and WPL currently expect to issue up to \$600 million and \$400 million of long-term debt securities in 2019, respectively. WPL has \$250 million of long-term debt maturing in July 2019.

- **Common Stock Dividends** - Alliant Energy announced a 6% increase in its targeted 2019 annual common stock dividend to \$1.42 per share, which is equivalent to a quarterly rate of \$0.355 per share, beginning with the February 2019 dividend payment. The timing and amount of future dividends is subject to an approved dividend declaration from Alliant Energy's Board of Directors, and is dependent upon earnings expectations, capital requirements, and general financial business conditions, among other factors.
- **Utility Electric and Gas Margins** - Alliant Energy, IPL and WPL currently expect an increase in electric and gas margins in 2019 compared to 2018 from earnings on increasing rate base for WPL's retail electric and gas rate review (2019/2020 Test Period) and interim rates for IPL's planned retail rate review. Refer to "Rate Matters" for further discussion on these rate reviews.
- **Depreciation and Amortization Expenses** - Alliant Energy, IPL and WPL currently expect an increase in depreciation and amortization expenses in 2019 compared to 2018 due to property additions, including IPL's expansion of wind generation and WPL's West Riverside natural gas-fired EGU.
- **Interest Expense** - Alliant Energy currently expects interest expense to increase in 2019 compared to 2018 primarily due to financings completed in 2018 and planned in 2019 as discussed above.

CUSTOMER INVESTMENTS

Alliant Energy's, IPL's and WPL's strategic priorities include making significant customer-focused investments toward cleaner energy and sustainable customer solutions. These priorities include:

Natural Gas-Fired Generation

WPL's Construction of West Riverside Natural Gas-fired Generating Station - In 2016, WPL received an order from the PSCW authorizing WPL to construct an approximate 730 MW natural gas-fired combined-cycle EGU in Beloit, Wisconsin, referred to as West Riverside. WPL's construction of West Riverside began in 2016 and the EGU is currently expected to be completed by the end of 2019. WPL's estimated portion of capital expenditures is currently expected to be approximately \$640 million. The capital expenditures include costs to construct the EGU and a pipeline to supply natural gas to the EGU, and exclude transmission network upgrades and AFUDC. Estimated capital expenditures for West Riverside for 2019 and 2020 are included in the "West Riverside" line in the construction and acquisition expenditures table in "Liquidity and Capital Resources." West Riverside will replace energy and capacity being eliminated with the retirements of various EGUs.

WPL entered into agreements with neighboring utilities and electric cooperatives that provide each of them options to purchase a partial ownership interest in West Riverside. The purchase price for such options is based on the ownership interest acquired and the net book value of West Riverside on the date of the purchase. The exercise of the WPSC and MGE options is subject to PSCW approval, and the timing and ownership amounts of the options are as follows:

Counterparty	Option Amount	Option Timing
Wisconsin Public Service Corporation (WPSC)	Up to 200 MW (no more than 100 MW to be acquired in first two years) (a)	2019-2023 (b)
Madison Gas and Electric Company (MGE)	Up to 50 MW (no more than 25 MW to be acquired in first two years)	2019-2024 (b)
Electric cooperatives	Approximately 60 MW	Exercised January 2018

- (a) If WPSC exercises its options, WPL may exercise reciprocal options, subject to approval by the PSCW, to purchase up to 200 MW of any natural-gas combined-cycle EGU that either WPSC or its affiliated utility, Wisconsin Electric Power Company, places in service within 10 years of the date West Riverside is placed in service.
- (b) Assumes an in-service date by the end of 2019.

WPSC and MGE Options - In conjunction with the agreements WPL entered into with WPSC and MGE associated with West Riverside, WPL also entered into amendments to the Columbia joint operating agreement. In 2016, WPL received an order from the PSCW approving amendments to the Columbia joint operating agreement, which allow WPSC and MGE to forgo certain capital expenditures at Columbia. Based on the additional capital expenditures WPL currently expects to incur through June 1, 2020, WPL's ownership interest in Columbia is expected to increase from 46.2% (as of December 31, 2016) to 53.4%.

Wind Generation

Alliant Energy's cleaner energy strategy includes the planned development and acquisition of up to 1,200 MW of wind generation in aggregate (up to 1,000 MW at IPL and up to 200 MW at WPL) during 2018 through 2020. IPL and WPL believe their respective planned development of wind generation will qualify for the full level of production tax credits as a result of progress payments in 2016 for wind turbines, and plan to place these wind projects into service by the end of 2020. Estimated capital expenditures for the planned wind generation projects for 2019 through 2022 are included in the "Renewable projects" line in the construction and acquisition expenditures table in "Liquidity and Capital Resources." Alliant Energy, IPL and WPL continue to evaluate additional opportunities to add more wind generation after 2021. Renewables are currently targeted to be approximately 30% of Alliant Energy's overall energy mix by 2030.

IPL's Expansion of Wind Generation - In April 2018, IPL received approval from the IUB for advance rate-making principles for up to 500 MW of new wind generation, which is in addition to the 500 MW of new wind generation approved by the IUB in October 2016. The advance rate-making principles approved by the IUB in 2016 and 2018 were as follows:

- Additional wind generation that qualifies for the full level of production tax credits, as long as the projects are located in Iowa. The 2016 and 2018 IUB decisions have cost caps of \$1,830/kilowatt and \$1,780/kilowatt, respectively, including AFUDC and transmission costs. Any costs incurred in excess of the respective cost caps are expected to be incorporated into rates if determined to be reasonable and prudent.
- A depreciable life of the wind generation facilities of 40 years, unless changed as a result of a contested case before the IUB.
- An 11.0% return on common equity, with the exception of certain transmission facilities classified as intangible assets, which would earn the rate of return on common equity the IUB finds reasonable in each future retail electric rate proceeding.
- The 2016 IUB decision includes a return on common equity for the calculation of AFUDC during the construction period that is the greater of 10.0% or whatever percentage the IUB finds reasonable during IPL's most recent retail electric rate proceeding. The 2018 IUB decision includes a 9.6% return on common equity for the calculation of AFUDC during the construction period.
- The application of double leverage is deferred until a future retail electric rate proceeding.
- Amortization over a 10-year period of IPL's prudently incurred and unreimbursed costs, effective with a future retail electric base rate proceeding, if IPL cancels the construction of the wind generation facilities.

IPL currently has on-going, new wind generation development of up to 1,000 MW utilizing the following sites:

Wind Site	Nameplate Capacity	Expected In-service Date	Location
Upland Prairie	Up to 300 MW	2019	Clay and Dickinson Counties, Iowa
English Farms	Up to 170 MW	2019	Poweshiek County, Iowa
Golden Plains	Up to 200 MW	2020	Winnebago and Kossuth Counties, Iowa
Whispering Willow Expansion	Up to 200 MW	2020	Franklin County, Iowa
Richland	Up to 130 MW	2020	Sac County, Iowa

WPL's Expansion of Wind Generation - In January 2019, WPL received final approval from the PSCW to own a 150 MW wind project being developed in Kossuth County, Iowa. WPL has entered into an agreement to purchase the wind farm after development is complete. Construction is currently expected to start in summer 2019 and the wind farm is currently expected to be placed in service in 2020.

Refer to Note 3 for discussion of WPL's April 2018 acquisition of 55 MW of the FWEC wind farm.

Coal-Fired Generation

Environmental Controls Projects - Alliant Energy's strategy to transition its generation portfolio to cleaner sources of energy includes adding environmental controls at newer, larger and more efficient coal-fired EGUs to continue producing affordable energy for customers and to benefit the environment. SO₂ and NO_x emissions from Alliant Energy's generating fleet are targeted to be reduced by approximately 90% and 80%, respectively, from 2005 levels by 2020. In 2018, WPL completed the installation of an SCR at Columbia Unit 2. In addition, IPL expects to complete the installation of an SCR at Ottumwa Unit 1 in 2019 to achieve compliance obligations under the Cross-State Air Pollution Rule and IPL's Consent Decree. IPL's portion of capital expenditures (past and future) for the SCR is expected to be \$60 million to \$70 million.

Plant Retirements and Fuel Switching - In 2018, IPL retired Red Cedar Combustion Turbine Unit 1 and M.L. Kapp Unit 2, and WPL retired Edgewater Unit 4. The current strategy includes the retirement, or fuel switch from coal to natural gas, of additional older, smaller and less efficient EGUs in the next several years. Coal-fired EGUs are targeted to be eliminated from Alliant Energy's overall energy mix by 2050. Alliant Energy, IPL and WPL are working with MISO, state regulatory commissions and other regulatory agencies, as required, to determine the timing of these actions, which are subject to change depending on operational, regulatory, market and other factors. Refer to Note 17(e) for discussion of IPL's requirements to fuel switch or retire certain EGUs under a Consent Decree.

Other Customer-focused Investments

Electric and Gas Distribution Systems - Customer-focused investments include replacing, modernizing and upgrading infrastructure in the electric and gas distribution systems. Electric system investments will focus on areas such as improving resiliency with more underground electric distribution and enabling distributed energy solutions with higher capacity lines. Gas system investments will focus on pipeline replacement to ensure safety and pipeline expansion to support reliability and economic development. Estimated capital expenditures for expected and current electric and gas distribution infrastructure projects for 2019 through 2022 are included in the "Electric and gas distribution systems" lines in the construction and acquisition expenditures table in "Liquidity and Capital Resources."

Gas Pipeline Expansion - IPL and WPL currently expect to make investments to extend various gas distribution systems to provide natural gas to unserved or underserved areas in their service territories.

Advanced Metering Infrastructure (AMI) - IPL is currently installing AMI in its electric and gas service territories in Iowa through a phased approach, which is expected to be completed in 2019. AMI is a system of meters, communications networks and data management systems that enables two-way communication between utilities and its customers. AMI allows for remote meter reading, automatic outage notification, and remote disconnects and reconnects. AMI technology is expected to enhance the communication infrastructure in Alliant Energy's service territories, improve customer service, enhance energy management initiatives and provide operational savings through increased efficiencies.

Non-utility business - Alliant Energy continues to explore limited scope opportunities for growth outside of, but related to, Alliant Energy's utility business. This non-utility strategy continues to evolve through exploration of modest opportunities that are accretive to earnings and cash flows within and outside of Alliant Energy's service territories.

RATE MATTERS

Rate Reviews

Retail Base Rate Filings - Base rate changes reflect both returns on additions to infrastructure and recovery of changes in costs incurred or expected to be incurred. Given that a portion of the rate changes will offset changes in costs, revenues from rate changes should not be expected to result in an equal change in net income for either IPL or WPL.

WPL's Retail Electric and Gas Rate Review (2019/2020 Test Period) - In December 2018, WPL received an order from the PSCW approving WPL's proposed settlement for its retail electric and gas rate review covering the 2019/2020 Test Period, effective January 1, 2019. Under the settlement, WPL's retail electric and gas base rates will not change from current levels through the end of 2020. Retail electric revenue requirements resulting from increasing investments in rate base (including West Riverside) are offset by lower fuel-related costs and Federal Tax Reform refunds. Retail gas revenue requirements resulting from increasing investments in rate base are offset by Federal Tax Reform refunds. WPL's settlement maintains the currently authorized return on common equity of 10.0% and extends, with certain modifications, an earnings sharing mechanism through 2020. Under the earnings sharing mechanism, WPL will defer a portion of its earnings if its annual regulatory return on common equity exceeds 10.25% during the 2019/2020 Test Period. WPL must defer 50% of its excess earnings between 10.25% and 10.75%, and 100% of any excess earnings above 10.75%. The fuel-related cost component of WPL's retail electric rates for 2020 will be addressed in a separate filing, which is currently expected to occur in 2019.

IPL's Retail Gas Rate Review (2017 Test Year) - In May 2018, IPL filed a request with the IUB to increase annual gas base rates for its Iowa retail gas customers by \$20 million, or approximately 8%. The request was based on a 2017 historical Test Year as adjusted for certain known and measurable changes occurring up to 12 months after the commencement of the proceeding. The key drivers for the filing included recovery of capital projects, partially offset by the benefits of Federal Tax Reform. An interim retail gas rate increase of \$11 million, or approximately 5%, on an annual basis, was implemented effective May 14, 2018. In December 2018, the IUB issued an order approving a unanimous settlement agreement between IPL and various parties, resulting in an annual retail gas base rate increase of \$14 million, or approximately 6%, which replaced the interim rate increase effective January 17, 2019.

Planned Rate Review - IPL currently expects to make retail rate filings in the first quarter of 2019 based on a forward-looking test period for electric and gas rates. IPL expects to concurrently file for interim electric rates based on historical data for 2018 and certain known and measurable changes occurring in the first quarter of 2019. Those interim electric rates are expected to be effective by April 2019. The key drivers for the anticipated filings include recovery of capital projects, including new wind generation, and ongoing operational costs.

Rate Review Details - Details related to IPL's and WPL's key jurisdictions were as follows:

	Regulatory Body	Average Rate Base (in millions)		Authorized Return on Common Equity (a)	Common Equity Component of Regulatory Capital Structure	Effective Date
IPL Retail Electric (2016 Test Year)						
Marshalltown	IUB	\$597	(b)	11.00%	49.0%	5/1/2018
Emery	IUB	197	(b)	12.23%	49.0%	5/1/2018
Whispering Willow - East	IUB	213	(b)	11.70%	49.0%	5/1/2018
Other	IUB	3,020	(b)	9.60%	49.0%	5/1/2018
IPL Retail Gas (2017 Test Year)	IUB	491	(b)	9.60%	51.0%	1/17/2019
IPL Wholesale Electric	FERC	113		10.97%	49.7%	1/1/2018
WPL Retail Electric and Gas						
Electric (2019 Test Period)	PSCW	3,507	(c)	10.00%	52.6%	1/1/2019
Gas (2019 Test Period)	PSCW	363	(c)	10.00%	52.6%	1/1/2019
Electric (2020 Test Period)	PSCW	3,955	(c)	10.00%	52.5%	1/1/2020
Gas (2020 Test Period)	PSCW	387	(c)	10.00%	52.5%	1/1/2020
WPL Wholesale Electric	FERC	232		10.90%	55.0%	1/1/2018

- (a) Authorized returns on common equity may not be indicative of actual returns earned or projections of future returns.
- (b) Average rate base was calculated using balances as of the end of the test year, adjusted for post-test year capital additions placed in service by September 30 following the end of the test year.
- (c) Average rate base amounts reflect WPL's allocated retail share of rate base and do not include CWIP or a cash working capital allowance, and were calculated using a forecasted 13-month average for the test periods. The PSCW provides a return on selected CWIP and a cash working capital allowance by adjusting the percentage return on rate base.

Other Rate Matters

Federal Tax Reform - In January 2018, the IUB issued an order requiring IPL and other investor-owned utilities in Iowa to track all calculated differences since January 1, 2018 resulting from Federal Tax Reform. In April 2018, the IUB issued an order on IPL's electric and gas Federal Tax Reform proposals. IPL estimates the calculated differences in 2018 were approximately \$40 million, with \$25 million returned to retail electric customers in 2018 and the remaining \$15 million expected to be returned in 2019. In addition, the IUB order determined the excess deferred taxes resulting from the remeasurement of accumulated deferred income taxes caused by Federal Tax Reform (approximately \$350 million revenue requirement) will be addressed in IPL's current and future retail electric and gas rate reviews.

In January 2018, the PSCW issued an order directing WPL and other investor-owned utilities in Wisconsin to defer the revenue requirement impacts since January 1, 2018 resulting from Federal Tax Reform. In May 2018, the PSCW issued an order directing WPL to return annual tax benefits for 2018 to WPL's retail electric and gas customers. In 2018, \$41 million of tax benefits were returned to WPL's retail electric and gas customers. Excess deferred taxes resulting from the remeasurement of accumulated deferred income taxes caused by Federal Tax Reform result in an approximate \$460 million revenue requirement impact for WPL. Approximately \$85 million of this amount will be used to help maintain base rates from current levels through 2020, and the remainder will be addressed in WPL's future retail electric and gas rate reviews.

In March 2018, FERC issued an order granting a waiver request filed in February 2018 by a group of MISO transmission owners, including ITC and ATC, allowing transmission rates to be updated to reflect the impacts resulting from Federal Tax Reform. As a result, beginning in March 2018, amounts billed by ITC and ATC decreased due to the impacts from Federal Tax Reform. IPL began providing the benefits of the lower transmission service expense to its electric customers utilizing the transmission cost recovery mechanism effective May 1, 2018. WPL will defer any incremental benefits of the lower transmission service expense from Federal Tax Reform until a future electric rate review. Based on IPL's and WPL's electric transmission cost recovery mechanisms, IPL and WPL currently do not expect that any changes to electric transmission service costs billed by ITC and ATC, respectively, will have a material impact on their financial condition and results of operations.

Iowa Tax Reform - Refer to Note 2 for discussion of future changes to the Iowa state income tax rate due to Iowa tax reform enacted in May 2018 and the resulting impact on Alliant Energy's financial statements.

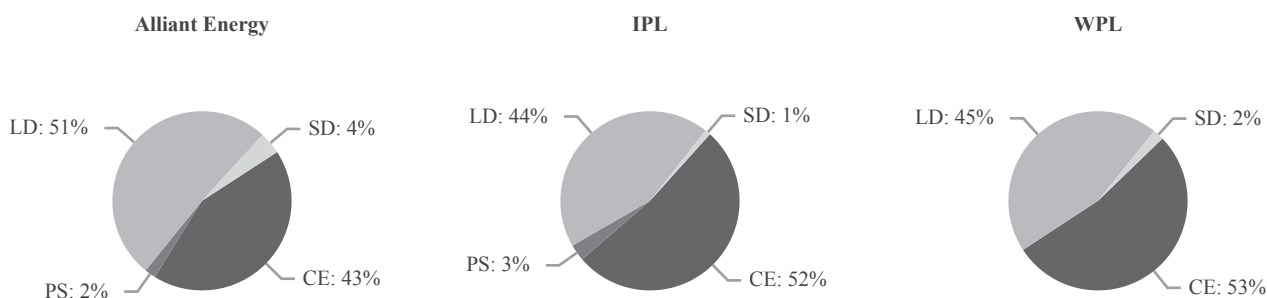
IPL's Duane Arnold Energy Center Purchased Power Agreement Amendment - In 2012, IPL entered into a nuclear generation PPA for the purchase of approximately 430 MW of capacity and the resulting energy from DAEC for a term from February 2014 through December 2025. In July 2018, IPL entered into a proposed amendment to shorten the term of the DAEC PPA by five years in exchange for a \$110 million buyout payment by IPL in September 2020, which would change Alliant Energy's and IPL's future commitments related to the DAEC PPA. To replace some of the energy and capacity from DAEC, IPL entered into four new PPAs with expected 20-year terms beginning in 2020 and 2021 for the purchase of approximately 340 MW of energy in aggregate from existing Iowa wind farms that are expected to be repowered. The amendment to shorten the term of the DAEC PPA and the four new wind PPAs are expected to provide significant energy cost savings to IPL customers. In December 2018, the IUB issued an order, effective in January 2019, approving the settlement agreement and the recovery of the buyout payment from IPL's retail customers over a five-year period following the payment in 2020 at IPL's pre-tax weighted-average cost of capital in effect at the time recovery commences.

LIQUIDITY AND CAPITAL RESOURCES

Overview - Alliant Energy, IPL and WPL expect to maintain adequate liquidity to operate their businesses and implement their strategy as a result of operating cash flows generated by their utility business, and available capacity under a single revolving credit facility and IPL's sales of accounts receivable program, supplemented by periodic issuances of long-term debt and Alliant Energy equity securities.

Liquidity Position - At December 31, 2018, Alliant Energy had \$21 million of cash and cash equivalents, \$559 million (\$114 million at the parent company, \$200 million at IPL and \$245 million at WPL) of available capacity under the single revolving credit facility and no available capacity at IPL under its sales of accounts receivable program.

Capital Structure - Alliant Energy, IPL and WPL plan to maintain debt-to-total capitalization ratios that are consistent with investment-grade credit ratings. IPL and WPL expect to maintain capital structures consistent with their authorized levels. Alliant Energy expects to maintain consolidated debt at approximately 55% of total capital and consolidated preferred stock at less than 5% of total capital. These targets may be adjusted depending on subsequent developments and the impact on their respective weighted-average cost of capital and investment-grade credit ratings. Capital structures as of December 31, 2018 were as follows (Common Equity (CE); IPL's Preferred Stock (PS); Long-term Debt (including current maturities) (LD); Short-term Debt (SD)):



Alliant Energy, IPL and WPL intend to manage their capital structures and liquidity positions in such a way that facilitates their ability to raise funds reliably and on reasonable terms and conditions, while maintaining capital structures consistent with those approved by regulators. In addition to capital structures, other important factors used to determine the characteristics of future financings include financial coverage ratios, capital spending plans, regulatory orders and rate-making considerations, levels of debt imputed by rating agencies, market conditions, the impact of tax initiatives and legislation, and anticipated proceeds from asset sales. The PSCW factors certain imputed debt adjustments in establishing a regulatory capital structure as part of WPL's retail rate reviews. The IUB does not make any explicit adjustments for imputed debt in establishing capital ratios used in determining customer rates, although such adjustments are considered by IPL in recommending an appropriate capital structure. Debt imputations by rating agencies include pension and OPEB obligations and the sales of accounts receivable program.

Credit and Capital Markets - Alliant Energy, IPL and WPL maintain a single revolving credit facility to provide backstop liquidity to their commercial paper programs, and ensure a committed source of liquidity in the event the commercial paper market becomes disrupted. In addition, IPL maintains a sales of accounts receivable program as an alternative financing source.

Primary Sources and Uses of Cash - Alliant Energy's most significant source of cash is from electric and gas sales to IPL's and WPL's customers. Cash from these sales reimburses IPL and WPL for prudently-incurred expenses to provide service to their utility customers and provides IPL and WPL a return of and a return on the assets used to provide such services. Capital needed to retire debt and fund capital expenditures related to large strategic projects is expected to be met primarily through external financings.

Cash Flows - Selected cash flows information was as follows (in millions):

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Cash, cash equivalents and restricted cash, January 1	\$33.9	\$13.1	\$11.2	\$7.2	\$4.2	\$7.2	\$24.2	\$6.9	\$3.1
Cash flows from (used for):									
Operating activities	527.7	521.6	392.8	(5.0)	(21.8)	(104.9)	457.0	465.7	521.4
Investing activities	(1,066.8)	(1,033.4)	(720.2)	(429.4)	(241.9)	(228.6)	(607.5)	(667.3)	(478.9)
Financing activities	530.7	532.6	329.3	439.6	266.7	330.5	135.5	218.9	(38.7)
Net increase (decrease)	(8.4)	20.8	1.9	5.2	3.0	(3.0)	(15.0)	17.3	3.8
Cash, cash equivalents and restricted cash, December 31	\$25.5	\$33.9	\$13.1	\$12.4	\$7.2	\$4.2	\$9.2	\$24.2	\$6.9

Operating Activities - The following items contributed to increased (decreased) operating activity cash flows (in millions):

2018 vs. 2017	Alliant Energy	IPL	WPL
Increased collections from IPL's and WPL's retail customers caused by temperature impacts on electric and gas sales	\$57	\$33	\$24
Changes in electric and gas tax benefit rider credits on customer bills at IPL	52	52	—
Higher collections from IPL's retail electric base rate increases and interim retail gas base rates increases	51	51	—
Changes in income taxes paid/refunded	6	(32)	22
Amounts refunded to customers in 2018 related to Federal Tax Reform (Refer to Note 2 for details)	(66)	(25)	(41)
Changes in interest payments	(35)	(9)	(6)
Changes in the sales of accounts receivable at IPL	(30)	(30)	—
Changes in cash collateral and deposit balances	(49)	—	(32)
Other (primarily due to other changes in working capital)	20	(23)	24
	\$6	\$17	(\$9)

2017 vs. 2016	Alliant Energy	IPL	WPL
Higher collections at IPL due to interim retail electric base rate increase effective April 13, 2017	\$77	\$77	\$—
Higher collections at WPL due to new retail electric and gas base rates in 2017	72	—	72
Changes in the sales of accounts receivable at IPL	33	33	—
Changes in cash collateral balances	30	—	—
Timing of WPL's fuel-related cost recoveries from customers	(50)	—	(50)
Lower distributions received at WPL from its interest in ATC due to the transfer of the interest in ATC to ATI on December 31, 2016	—	—	(27)
Changes in income taxes paid/refunded	(1)	20	(36)
Other (primarily due to other changes in working capital)	(32)	(47)	(15)
	\$129	\$83	(\$56)

Income Tax Payments and Refunds - Income tax (payments) refunds were as follows (in millions):

	2018	2017	2016
IPL	(\$24)	\$9	(\$11)
WPL	14	(8)	28
Other subsidiaries	5	(12)	(27)
Alliant Energy	(\$5)	(\$11)	(\$10)

Alliant Energy, IPL and WPL currently do not expect to make any significant federal income tax payments through 2024 based on their current federal net operating loss and credit carryforward positions. While no significant federal income tax payments through 2024 are expected to occur, some tax payments and refunds may occur for state taxes and between consolidated group members (including IPL and WPL) under the tax sharing agreement between Alliant Energy and its subsidiaries. Refer to Note 12 for discussion of the carryforward positions.

Pension Plan Contributions - Alliant Energy, IPL and WPL currently expect to make \$34 million, \$16 million and \$16 million of pension plan contributions in 2019, respectively, based on the funded status and assumed return on assets for each plan as of the December 31, 2018 measurement date. Refer to Note 13(a) for discussion of the current funded levels of pension plans.

Investing Activities - The following items contributed to increased (decreased) investing activity cash flows (in millions):

2018 vs. 2017	Alliant Energy	IPL	WPL
Lower (higher) utility construction expenditures (a)	(\$287)	(\$315)	\$60
Changes in the amount of cash receipts on sold receivables	144	144	—
Acquisition expenditures for non-utility wind farm in Oklahoma in 2017 (Refer to Note 6 for details)	98	—	—
Other	12	(17)	—
	(\$33)	(\$188)	\$60
2017 vs. 2016	Alliant Energy	IPL	WPL
Lower (higher) utility construction expenditures (b)	(\$151)	\$14	(\$184)
Acquisition expenditures for non-utility wind farm in Oklahoma in 2017	(98)	—	—
Proceeds from the liquidation of company-owned life insurance policies in 2016	(31)	(19)	—
Other	(33)	(8)	(4)
	(\$313)	(\$13)	(\$188)

- (a) Largely due to higher expenditures for IPL's and WPL's expansion of wind generation and IPL's advanced metering infrastructure, partially offset by lower expenditures for WPL's West Riverside facility, IPL's Marshalltown facility, and IPL's and WPL's electric and gas distribution systems.
- (b) Largely due to higher expenditures for WPL's West Riverside facility, IPL's and WPL's electric and gas distribution systems and IPL's expansion of wind generation, partially offset by lower expenditures for IPL's Marshalltown facility.

Construction and Acquisition Expenditures - Construction and acquisition expenditures and financing plans are reviewed, approved and updated as part of the financial planning process. Changes may result from a number of reasons, including regulatory requirements, changing legislation, not obtaining favorable and acceptable regulatory approval on certain projects, improvements in technology, improvements to ensure reliability of the electric and gas distribution systems, and new opportunities. Alliant Energy, IPL and WPL have not yet entered into contractual commitments relating to the majority of their anticipated future construction and acquisition expenditures. As a result, they have some discretion with regard to the level and timing of these expenditures. The table below summarizes anticipated construction and acquisition expenditures (in millions). Cost estimates represent Alliant Energy's, IPL's and WPL's portion of construction expenditures and exclude AFUDC and capitalized interest, if applicable. Such estimates reflect reductions to Alliant Energy's and WPL's capital expenditures resulting from purchase options by certain electric cooperatives for a partial ownership interest in West Riverside. Such amounts do not include IPL's expected \$110 million buyout payment in September 2020 related to the DAEC PPA, nor any potential proceeds if WPSC and/or MGE exercise options for a partial ownership interest in West Riverside. Refer to "Customer Investments" for further discussion of certain key projects impacting construction and acquisition plans related to the utility business.

	Alliant Energy				IPL				WPL			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Generation:												
Renewable projects	\$645	\$200	\$15	\$125	\$545	\$100	\$—	\$5	\$100	\$100	\$15	\$120
West Riverside	130	15	—	—	—	—	—	—	130	15	—	—
Other	85	135	155	200	55	75	90	135	30	60	65	65
Distribution:												
Electric systems	475	525	570	600	285	330	355	375	190	195	215	225
Gas systems	100	245	125	175	50	65	80	115	50	180	45	60
Other	175	165	180	210	20	30	20	20	15	10	10	15
	<u>\$1,610</u>	<u>\$1,285</u>	<u>\$1,045</u>	<u>\$1,310</u>	<u>\$955</u>	<u>\$600</u>	<u>\$545</u>	<u>\$650</u>	<u>\$515</u>	<u>\$560</u>	<u>\$350</u>	<u>\$485</u>

Financing Activities - The following items contributed to increased (decreased) financing activity cash flows (in millions):

	Alliant Energy	IPL	WPL
2018 vs. 2017			
Higher payments to retire long-term debt	(\$851)	(\$350)	\$—
Net changes in the amount of commercial paper and other short-term borrowings outstanding	(145)	50	108
Higher (lower) net proceeds from issuance of long-term debt	950	250	(300)
Higher net proceeds from common stock issuances	47	—	—
Higher capital contributions from IPL's and WPL's parent company, Alliant Energy	—	225	110
Other	(3)	(2)	(1)
	<u>(\$2)</u>	<u>\$173</u>	<u>(\$83)</u>
2017 vs. 2016			
Lower payments to retire long-term debt	\$309	\$—	\$—
Higher net proceeds from common stock issuances	123	—	—
Net changes in the amount of commercial paper and other short-term borrowings outstanding	87	—	(60)
Higher (lower) net proceeds from issuance of long-term debt	(250)	(50)	300
Higher capital contributions from IPL's and WPL's parent company, Alliant Energy	—	10	30
Other (includes higher dividend payments in 2017)	(66)	(24)	(12)
	<u>\$203</u>	<u>(\$64)</u>	<u>\$258</u>

FERC and Public Utility Holding Company Act Financing Authorizations - Under the Public Utility Holding Company Act of 2005, FERC has authority over the issuance of utility securities, except to the extent that a public utility's primary state regulatory commission has retained jurisdiction over such matters. FERC currently has authority over the issuance of securities by IPL. FERC does not have authority over the issuance of securities by Alliant Energy, WPL, AEF or Corporate Services.

In 2017, IPL received authorization from FERC to issue securities in 2018 and 2019 as follows (in millions):

	Initial Authorization	Remaining Capacity as of December 31, 2018
Long-term debt securities issuances in aggregate	\$1,100	\$600
Short-term debt securities outstanding at any time (including borrowings from its parent)	300	250
Preferred stock issuances in aggregate	300	300

State Regulatory Financing Authorizations - In August 2017, WPL received authorization from the PSCW to have up to \$400 million of short-term borrowings and/or letters of credit outstanding at any time through the earlier of the expiration date of WPL's credit facility agreement (including extensions) or December 2024. As of December 31, 2018, WPL also had authority to issue up to \$650 million of long-term debt securities in aggregate in 2019 pursuant to a December 2016 PSCW order.

Shelf Registrations - Alliant Energy, IPL and WPL have current shelf registration statements on file with the SEC for availability to issue unspecified amounts of securities through December 2020. Alliant Energy's shelf registration statement may be used to issue common stock, debt and other securities. IPL's and WPL's shelf registration statements may be used to issue preferred stock and debt securities.

Common Stock Dividends - Payment of common stock dividends is subject to dividend declaration by Alliant Energy's Board of Directors. Alliant Energy's general long-term goal is to maintain a dividend payout ratio that is competitive with the industry average. Based on that, Alliant Energy's goal is to maintain a dividend payout ratio of approximately 60% to 70% of consolidated earnings from continuing operations. IPL's and WPL's goal is to maintain dividend payout ratios of approximately 65% to 75%. Alliant Energy's, IPL's and WPL's dividend payout ratios were 61%, 64% and 67% of their consolidated earnings from continuing operations in 2018, respectively. Refer to "Results of Operations" for discussion of expected common stock dividends in 2019.

Common Stock Issuances - Refer to Note 7 for discussion of common stock issuances by Alliant Energy in 2016 through 2018 and "Results of Operations" for discussion of expected issuances of common stock in 2019.

Short-term Debt - In 2017, Alliant Energy, IPL and WPL entered into a single revolving credit facility agreement, which expires in August 2022, to provide short-term borrowing flexibility and backstop liquidity for commercial paper outstanding. As of December 31, 2018, the short-term borrowing capacity totaled \$1 billion (\$400 million for Alliant Energy at the parent company level, \$250 million for IPL and \$350 million for WPL). There are currently 13 lenders that participate in the credit facility, with aggregate respective commitments ranging from \$20 million to \$130 million. The credit facility includes a \$100 million letter of credit commitment and \$50 million swingline commitment, which are available to each of Alliant Energy, IPL and WPL. Subject to certain conditions, Alliant Energy, IPL and WPL may each reallocate and change its sublimit up to \$500 million, \$400 million and \$500 million, respectively, within the \$1 billion total commitment. Subject to certain conditions, Alliant Energy, IPL and WPL may exercise two extension options, each extending the maturity date by one year. The credit facility has a provision to expand the facility size up to an additional \$300 million, for a potential total commitment of \$1.3 billion, subject to lender approval for Alliant Energy and subject to lender and regulatory approvals for IPL and WPL.

The credit agreement contains provisions that prohibit placing liens on any of the property of Alliant Energy, IPL or WPL or their respective subsidiaries with certain exceptions. Exceptions include among others, liens to secure obligations of up to 10% of the consolidated tangible assets of the applicable borrower (valued at carrying value), liens imposed by government entities, materialmen's and similar liens, judgment liens, liens to secure additional non-recourse debt not to exceed \$100 million outstanding at any one time at each of Alliant Energy, IPL and WPL, and purchase money liens.

The credit agreement contains provisions that require, during its term, any proceeds from asset sales, with certain exclusions, in excess of 25% of Alliant Energy's, IPL's and WPL's respective consolidated assets be used to reduce certain of their respective debt commitments. Exclusions include, among others, certain sale and lease-back transactions, sales of non-utility assets, intercompany asset sales and sales of certain contracts and accounts receivable.

The credit agreement contains customary events of default, including a cross-default provision that would be triggered if Alliant Energy or certain of its significant subsidiaries (including IPL and WPL) defaults on debt (other than non-recourse debt) totaling \$100 million or more. IPL and WPL are subject to a similar cross-default provision with respect to their own respective consolidated debt. A default by Alliant Energy or its non-utility subsidiaries would not trigger a cross-default at IPL or WPL, nor would a default by either of IPL or WPL constitute a cross-default event for the other. If an event of default under the credit agreement occurs and is continuing, then the lenders may declare any outstanding obligations of the defaulting borrower under the credit agreement immediately due and payable. In addition, if any order for relief is entered under bankruptcy laws with respect to (a) Alliant Energy, IPL or WPL, then any outstanding obligations of Alliant Energy under the credit agreement would be immediately due and payable, or (b) IPL or WPL, then any outstanding obligations of IPL or WPL, respectively, under the credit agreement would be immediately due and payable.

A material adverse change representation is not required for borrowings under the credit agreement. At December 31, 2018, Alliant Energy, IPL and WPL were in compliance with financial covenants of the credit agreement. Refer to Note 9(a) for additional information regarding short-term debt.

Long-term Debt - Refer to Note 9(b) for discussion of issuances and retirements of long-term debt in 2018 and “Results of Operations” for discussion of expected issuances of long-term debt in 2019. Significant issuances of long-term debt in 2017 and 2016 were as follows (dollars in millions):

Company	Principal Amount	Type	Interest Rate	Maturity Date	Use of Proceeds
2017:					
IPL	\$250	Senior debentures	3.25%	Dec-2024	Reduce commercial paper classified as long-term debt, reduce cash amounts received from its sales of accounts receivable program and for general corporate purposes
WPL	\$300	Debentures	3.05%	Oct-2027	Reduce commercial paper and for general corporate purposes
2016:					
AEF	\$500	Variable-rate term loan credit agreement	2% at December 31, 2017	Oct-2018	Retire borrowings under Alliant Energy’s and Franklin County Holdings LLC’s variable-rate term loan credit agreements that matured in 2016, reduce outstanding commercial paper and for general corporate purposes
IPL	300	Senior debentures	3.7%	Sep-2046	Reduce cash amounts received from its sales of accounts receivable program, reduce commercial paper classified as long-term debt and for general corporate purposes

There were no significant retirements of long-term debt in 2017. Significant retirements of long-term debt in 2016 were as follows (dollars in millions):

Company	Principal Amount	Type	Interest Rate	Retirement Date
2016:				
Alliant Energy	\$250	Variable-rate term loan credit agreement	1% at December 31, 2015	Oct-2016
Franklin County Holdings LLC	60	Variable-rate term loan credit agreement	1% at December 31, 2015	Oct-2016

Impact of Credit Ratings on Liquidity and Collateral Obligations -

Ratings Triggers - The long-term debt of Alliant Energy and its subsidiaries is not subject to any repayment requirements as a result of explicit credit rating downgrades or so-called “ratings triggers.” However, Alliant Energy and its subsidiaries are parties to various agreements that contain provisions dependent on credit ratings. In the event of a significant downgrade, Alliant Energy or its subsidiaries may need to provide credit support, such as letters of credit or cash collateral equal to the amount of the exposure, or may need to unwind the contract or pay the underlying obligation. In the event of a significant downgrade, management believes Alliant Energy, IPL and WPL have sufficient liquidity to cover counterparty credit support or collateral requirements under these various agreements. In addition, a downgrade in the credit ratings of Alliant Energy, IPL or WPL, could also result in them paying higher interest rates in future financings, reduce flexibility with future financing plans, reduce their pool of potential lenders, increase their borrowing costs under existing credit facilities or limit their access to the commercial paper market. Credit ratings and outlooks as of the date of this report are as follows:

		Standard & Poor’s Ratings Services	Moody’s Investors Service
Alliant Energy:	Corporate/issuer	A-	Baa1
	Commercial paper	A-2	P-2
	Senior unsecured long-term debt	N/A	N/A
	Outlook	Negative	Negative
IPL:	Corporate/issuer	A-	Baa1
	Commercial paper	A-2	P-2
	Senior unsecured long-term debt	A-	Baa1
	Preferred stock	BBB	Baa3
WPL:	Outlook	Negative	Negative
	Corporate/issuer	A	A2
	Commercial paper	A-1	P-1
	Senior unsecured long-term debt	A	A2
	Outlook	Negative	Negative

Standard & Poor’s Ratings Services and Moody’s Investors Service issued credit ratings of BBB+ and Baa1, respectively, for the senior notes issued by AEF (with Alliant Energy as guarantor) in June 2018. Credit ratings are not recommendations to buy or sell securities and are subject to change, and each rating should be evaluated independently of any other rating. Each of Alliant Energy, IPL or WPL assumes no obligation to update their respective credit ratings. Refer to Note 15 for additional information on ratings triggers for commodity contracts accounted for as derivatives.

Off-Balance Sheet Arrangements -

Special Purpose Entities - IPL maintains a Receivables Agreement whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third party through wholly-owned and consolidated special purpose entities. In March 2018, IPL amended and extended through March 2021 the purchase commitment from the third party to which it sells its receivables. In 2018, 2017 and 2016, IPL evaluated the third party that purchases IPL's receivable assets under the Receivables Agreement and believes that the third party is a VIE. However, IPL concluded consolidation of the third party was not required.

In addition, IPL's sales of accounts receivable program agreement contains a cross-default provision that is triggered if IPL or Alliant Energy incurs an event of default on debt totaling \$100 million or more. If an event of default under IPL's sales of accounts receivable program agreement occurs, then the counterparty could terminate such agreement. Refer to Note 5(b) for additional information regarding IPL's sales of accounts receivable program.

Guarantees and Indemnifications - At December 31, 2018, various guarantees and indemnifications are outstanding related to Alliant Energy's cash equity ownership interest in a non-utility wind farm and Alliant Energy's and IPL's prior divestiture activities. Refer to Note 17(d) for additional information.

Certain Financial Commitments -

Contractual Obligations - Consolidated long-term contractual obligations as of December 31, 2018 were as follows (in millions):

Alliant Energy	2019	2020	2021	2022	2023	Thereafter	Total
Other purchase obligations (Note 17(b))	\$575	\$339	\$297	\$245	\$233	\$503	\$2,192
Long-term debt maturities (Note 9(b))	256	657	8	333	408	3,885	5,547
Interest - long-term debt obligations	242	219	205	205	189	1,999	3,059
Capital purchase obligations (Note 17(a))	40	—	—	—	—	—	40
Operating leases (Note 10)	5	5	3	3	2	12	30
	<u>\$1,118</u>	<u>\$1,220</u>	<u>\$513</u>	<u>\$786</u>	<u>\$832</u>	<u>\$6,399</u>	<u>\$10,868</u>

At December 31, 2018, Alliant Energy, IPL and WPL had no uncertain tax positions recorded as liabilities. Refer to Note 13 (a) for anticipated pension and OPEB funding amounts, which are not included in the above table. Refer to "Construction and Acquisition Expenditures" above for additional information on construction and acquisition programs. In addition, at December 31, 2018, there were various other liabilities included on the balance sheet that, due to the nature of the liabilities, the timing of payments cannot be estimated and are therefore excluded from the above table.

OTHER MATTERS

Market Risk Sensitive Instruments and Positions - Primary market risk exposures are associated with commodity prices, investment prices and interest rates. Risk management policies are used to monitor and assist in mitigating these market risks and derivative instruments are used to manage some of the exposures related to commodity prices. Refer to Notes 1(h) and 15 for further discussion of derivative instruments, and Note 1(g) for details of utility cost recovery mechanisms that significantly reduce commodity risk.

Commodity Price - Alliant Energy, IPL and WPL are exposed to the impact of market fluctuations in the price and transportation costs of commodities they procure and market. Established policies and procedures mitigate risks associated with these market fluctuations, including the use of various commodity derivatives and contracts of various durations for the forward sale and purchase of these commodities. Exposure to commodity price risks in the utility businesses is also significantly mitigated by current rate-making structures in place for recovery of fuel-related costs as well as the cost of natural gas purchased for resale. IPL's electric and gas tariffs and WPL's wholesale electric and gas tariffs provide for subsequent monthly adjustments to their tariff rates for material changes in prudently incurred commodity costs. IPL's and WPL's rate mechanisms, combined with commodity derivatives, significantly reduce commodity risk associated with their electric and gas margins. WPL's retail electric margins have modest exposure to the impact of changes in commodity prices due largely to the current retail recovery mechanism in place in Wisconsin for fuel-related costs.

Investment Price - Alliant Energy, IPL and WPL are exposed to investment price risk as a result of their investments in securities, largely related to securities held by their pension and OPEB plans. Refer to Note 13(a) for details of the securities held by their pension and OPEB plans. Refer to "Critical Accounting Policies and Estimates" for the impact on retirement plan costs of changes in the rate of returns earned by plan assets.

Interest Rate - Alliant Energy, IPL and WPL are exposed to risk resulting from changes in interest rates associated with variable-rate borrowings. In addition, Alliant Energy and IPL are exposed to risk resulting from changes in interest rates on cash amounts outstanding under IPL's sales of accounts receivable program. Assuming the impact of a hypothetical 100 basis point increase in interest rates on variable-rate borrowings and cash proceeds outstanding under IPL's sales of accounts receivable program at December 31, 2018, Alliant Energy's, IPL's and WPL's annual pre-tax expense would increase by approximately \$8 million, \$2 million and \$1 million, respectively. Refer to Notes 5(b) and 9 for additional information on cash proceeds outstanding under IPL's sales of accounts receivable program, and short- and long-term variable-rate borrowings, respectively. Refer to "Critical Accounting Policies and Estimates" for the impacts of changes in discount rates on retirement plan obligations and costs.

New Accounting Standards - Refer to Note 1(n) for discussion of new accounting standards impacting Alliant Energy, IPL and WPL.

Critical Accounting Policies and Estimates - The preparation of financial statements in conformity with GAAP requires management to apply accounting policies and make estimates that affect results of operations and the amounts of assets and liabilities reported in the financial statements. The following accounting policies and estimates are critical to the business and the understanding of financial results as they require critical assumptions and judgments by management. The results of these assumptions and judgments form the basis for making estimates regarding the results of operations and the amounts of assets and liabilities that are not readily apparent from other sources. Actual financial results may differ materially from these estimates. Management has discussed these critical accounting policies and estimates with the Audit Committee of the Board of Directors. Refer to Note 1 for additional discussion of accounting policies and the estimates used in the preparation of the financial statements.

Contingencies - Assumptions and judgments are made each reporting period regarding the future outcome of contingent events. Loss contingency amounts are recorded for any contingent events for which the likelihood of loss is probable and able to be reasonably estimated based upon current available information. The amounts recorded may differ from actuals when the uncertainty is resolved. The estimates made in accounting for contingencies, and the gains and losses that are recorded upon the ultimate resolution of these uncertainties, could have a significant effect on results of operations and the amount of assets and liabilities in the financial statements. Note 17 provides further discussion of contingencies assessed at December 31, 2018, including various pending legal proceedings, guarantees and indemnifications that may have a material impact on financial condition and results of operations.

Regulatory Assets and Regulatory Liabilities - IPL and WPL are regulated by various federal and state regulatory agencies. As a result, they are subject to GAAP for regulated operations, which recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets or regulatory liabilities arise as a result of a difference between GAAP and actions imposed by the regulatory agencies in the rate-making process. Regulatory assets generally represent incurred costs that have been deferred as such costs are probable of recovery in future customer rates. Regulatory liabilities generally represent obligations to make refunds to customers or amounts collected in rates for which the related costs have not yet been incurred. Regulatory assets and regulatory liabilities are recognized in accordance with the rulings of applicable federal and state regulators, and future regulatory rulings may impact the carrying value and accounting treatment of regulatory assets and regulatory liabilities.

Assumptions and judgments are made each reporting period regarding whether regulatory assets are probable of future recovery and regulatory liabilities are probable future obligations by considering factors such as regulatory environment changes, rate orders issued by the applicable regulatory agencies, historical decisions by such regulatory agencies regarding similar regulatory assets and regulatory liabilities, and subsequent events of such regulatory agencies. The decisions made by regulatory authorities have an impact on the recovery of costs, the rate of return on invested capital and the timing and amount of assets to be recovered by rates. A change in these decisions may result in a material impact on results of operations and the amount of assets and liabilities in the financial statements. Note 2 provides details of the nature and amounts of regulatory assets and regulatory liabilities assessed at December 31, 2018.

Long-Lived Assets - Periodic assessments regarding the recoverability of certain long-lived assets are completed when factors indicate the carrying value of such assets may be impaired or such assets are planned to be sold. These assessments require significant assumptions and judgments by management. The long-lived assets assessed for impairment generally include certain assets within regulated operations that may not be fully recovered from IPL's and WPL's customers as a result of regulatory decisions in the future, and assets within non-utility operations that are proposed to be sold or are currently generating operating losses.

Regulated Operations - Certain long-lived assets within regulated operations are reviewed for possible impairment whenever events or changes in circumstances indicate all or a portion of the carrying value of the assets may be disallowed for rate-making purposes. If IPL or WPL is disallowed recovery of any portion of the carrying value of its regulated property, plant and equipment that is under construction, has been recently completed or is probable of being retired early, an impairment charge is recognized equal to the amount of the carrying value that was disallowed recovery. If IPL or WPL is disallowed a full or partial return on the carrying value of its regulated property, plant and equipment that is under construction, has been recently completed or is probable of being retired early, an impairment charge is recognized equal to the difference between the carrying amount of the asset and the present value of the future revenues expected from its regulated property, plant and equipment. Alliant Energy's, IPL's and WPL's long-lived assets within their regulated operations that were assessed for impairment and plant abandonment in 2018 included IPL's and WPL's generating units subject to early retirement.

Generating Units Subject to Early Retirement - Alliant Energy, IPL and WPL evaluate future plans for their electric generation fleet and have announced the early retirement of certain older and less-efficient EGUs. When it becomes probable that an EGU will be retired before the end of its useful life, Alliant Energy, IPL and WPL must assess whether the EGU meets the criteria to be considered probable of abandonment. EGUs that are considered probable of abandonment generally have material remaining net book values and are expected to cease operations in the near term significantly before the end of their original estimated useful lives. If an EGU meets such criteria to be considered probable of abandonment, Alliant Energy, IPL and WPL must assess the probability of full recovery of the remaining carrying value of such EGU. If it is probable that regulators will not allow full recovery of and a full return on the remaining net book value of the abandoned EGU, an impairment charge is recognized equal to the difference between the remaining carrying value and the present value of the future revenues expected from the abandoned EGU.

In June 2018, IPL retired M.L. Kapp Unit 2. IPL's current rates include a full recovery of and a full return on this EGU from both its retail and wholesale customers, and as a result, Alliant Energy and IPL concluded that no impairment was required as of December 31, 2018. In September 2018, WPL retired Edgewater Unit 4. WPL is currently allowed a full recovery of and a full return on this EGU from both its retail and wholesale customers, and as a result, Alliant Energy and WPL concluded that no impairment was required as of December 31, 2018. Alliant Energy, IPL and WPL evaluated their other EGUs that are subject to early retirement and determined that no other EGUs met the criteria to be considered probable of abandonment as of December 31, 2018.

Unbilled Revenues - Unbilled revenues are primarily associated with utility operations. Energy sales to individual customers are based on the reading of customers' meters, which occurs on a systematic basis throughout the month. Amounts of energy delivered to customers since the date of the last meter reading are estimated at the end of each reporting period and the corresponding estimated unbilled revenue is recorded. The unbilled revenue estimate is based on daily system demand volumes, estimated customer usage by class, temperature impacts, line losses and the most recent customer rates. Such process involves the use of various judgments and assumptions and significant changes in these judgments and assumptions could have a material impact on results of operations. As of December 31, 2018, unbilled revenues related to Alliant Energy's utility operations were \$171 million (\$97 million at IPL and \$74 million at WPL).

Pensions and Other Postretirement Benefits - Alliant Energy, IPL and WPL sponsor various defined benefit pension and OPEB plans that provide benefits to a significant portion of their employees and retirees. Assumptions and judgments are made periodically to estimate the obligations and costs related to their retirement plans. There are many judgments and assumptions involved in determining an entity's pension and other postretirement liabilities and costs each period including employee demographics (including life expectancies and compensation levels), discount rates, assumed rates of return and funding. Changes made to plan provisions may also impact current and future benefits costs. Judgments and assumptions are supported by historical data and reasonable projections and are reviewed at least annually. The following table shows the impacts of changing certain key actuarial assumptions discussed above (in millions):

Change in Actuarial Assumption	Defined Benefit Pension Plans		OPEB Plans	
	Impact on Projected Benefit Obligation at December 31, 2018	Impact on 2019 Net Periodic Benefit Costs	Impact on Accumulated Benefit Obligation at December 31, 2018	Impact on 2019 Net Periodic Benefit Costs
Alliant Energy				
1% change in discount rate	\$144	\$9	\$18	\$2
1% change in expected rate of return	N/A	8	N/A	1

Income Taxes - Alliant Energy, IPL and WPL are subject to income taxes in various jurisdictions. Assumptions and judgments are made each reporting period to estimate income tax assets, liabilities, benefits and expenses. Judgments and assumptions are supported by historical data and reasonable projections. Significant changes in these judgments and assumptions could have a material impact on financial condition and results of operations. Alliant Energy's and IPL's critical assumptions and judgments for 2018 include estimates of qualifying deductions for repairs expenditures and allocation of mixed service costs due to the impact of Iowa rate-making principles on such property-related differences. Critical assumptions and judgments also include projections of future taxable income used to determine the ability to utilize net operating losses and credit carryforwards prior to their expiration, and accounting for the impacts of Federal Tax Reform, including the application of bonus depreciation. Refer to Note 12 for further discussion of tax matters.

Effect of Rate-making on Property-related Differences - Alliant Energy's and IPL's effective income tax rates are normally impacted by certain property-related differences at IPL for which deferred tax is not recorded in the income statement pursuant to Iowa rate-making principles. Changes in methods or assumptions regarding the amount of IPL's qualifying repairs expenditures, allocation of mixed service costs, and costs related to retirement or removal of depreciable property could result in a material impact on Alliant Energy's and IPL's financial condition and results of operations.

Carryforward Utilization - Significant federal tax credit carryforwards and federal and state net operating loss carryforwards exist for Alliant Energy, IPL and WPL as of December 31, 2018. Based on projections of current and future taxable income, Alliant Energy, IPL and WPL plan to utilize substantially all of these carryforwards prior to their expiration. Due to the anticipated future reductions in revenues from utility customers due to Federal Tax Reform, Alliant Energy expects a reduction in its future consolidated taxable income, which will extend the period to which prior unutilized operating losses will be utilized. Taxable income must be reduced by net operating losses carryforwards prior to utilizing federal tax credit carryforwards. Alliant Energy expects to utilize its net operating losses carryforwards by 2024 and therefore, currently does not expect to utilize 2002 and 2003 vintage federal credit carryforwards prior to their expiration in 2022 and 2023, respectively. This resulted in valuation allowance charges recorded to "Income taxes" on the income statement in 2017. Federal credit carryforwards generated from 2004 through 2008, which amount to \$7 million for Alliant Energy, are expected to be utilized within five years of expiration. All other federal credit carryforwards and federal net operating loss carryforwards are expected to be utilized more than five years before expiration. Changes in tax regulations or assumptions regarding current and future taxable income could require changes to valuation allowances in the future resulting in a material impact on financial condition and results of operations.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Alliant Energy, IPL and WPL are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Alliant Energy's, IPL's and WPL's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Because of the inherent limitations of internal control over financial reporting, misstatements may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Alliant Energy's, IPL's and WPL's management assessed the effectiveness of their respective internal control over financial reporting as of December 31, 2018 using the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on these assessments, Alliant Energy's, IPL's and WPL's management concluded that, as of December 31, 2018, their respective internal control over financial reporting was effective.

Deloitte & Touche LLP, Alliant Energy's independent registered public accounting firm, has audited Alliant Energy's internal control over financial reporting. That report is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowners and the Board of Directors of Alliant Energy Corporation:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Alliant Energy Corporation and subsidiaries (the "Company") as of December 31, 2018, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2018, of the Company and our report dated February 22, 2019, expressed an unqualified opinion on those financial statements and included an explanatory paragraph regarding the Company's adoption of Financial Accounting Standards Board Accounting Standards Update 2016-15, *Classification of Certain Cash Receipts and Cash Payments*.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Milwaukee, Wisconsin
February 22, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowners and the Board of Directors of Alliant Energy Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Alliant Energy Corporation and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of income, equity, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 1(n) to the financial statements, the Company has changed the presentation of certain cash receipts and payments related to its sales of accounts receivable program in the consolidated statements of cash flows due to adoption of Financial Accounting Standards Board Accounting Standards Update 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. The Company has retrospectively applied the impacts of this new accounting principle to all periods presented in the accompanying financial statements.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.



Milwaukee, Wisconsin
February 22, 2019

We have served as the Company's auditor since 2002.

CONSOLIDATED FINANCIAL STATEMENTS

ALLIANT ENERGY CORPORATION CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2018	2017	2016
	(in millions, except per share amounts)		
Revenues:			
Electric utility	\$3,000.3	\$2,894.7	\$2,875.5
Gas utility	446.6	400.9	355.4
Other utility	48.0	47.5	48.6
Non-utility	39.6	39.1	40.5
Total revenues	3,534.5	3,382.2	3,320.0
Operating expenses:			
Electric production fuel and purchased power	855.0	818.1	854.0
Electric transmission service	495.7	480.9	527.9
Cost of gas sold	232.3	211.4	194.3
Asset valuation charges for Franklin County wind farm	—	—	86.4
Other operation and maintenance	645.8	633.2	589.4
Depreciation and amortization	506.9	461.8	411.6
Taxes other than income taxes	104.4	105.6	102.3
Total operating expenses	2,840.1	2,711.0	2,765.9
Operating income	694.4	671.2	554.1
Other (income) and deductions:			
Interest expense	247.0	215.6	196.2
Equity income from unconsolidated investments, net	(54.6)	(44.8)	(39.6)
Allowance for funds used during construction	(75.6)	(49.7)	(62.5)
Other	7.6	17.3	16.6
Total other (income) and deductions	124.4	138.4	110.7
Income from continuing operations before income taxes	570.0	532.8	443.4
Income taxes	47.7	66.7	59.4
Income from continuing operations, net of tax	522.3	466.1	384.0
Income (loss) from discontinued operations, net of tax	—	1.4	(2.3)
Net income	522.3	467.5	381.7
Preferred dividend requirements of Interstate Power and Light Company	10.2	10.2	10.2
Net income attributable to Alliant Energy common shareowners	\$512.1	\$457.3	\$371.5
Weighted average number of common shares outstanding (basic and diluted)	233.6	229.7	227.1
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic and diluted):			
Income from continuing operations, net of tax	\$2.19	\$1.99	\$1.65
Loss from discontinued operations, net of tax	—	—	(0.01)
Net income	\$2.19	\$1.99	\$1.64
Amounts attributable to Alliant Energy common shareowners:			
Income from continuing operations, net of tax	\$512.1	\$455.9	\$373.8
Income (loss) from discontinued operations, net of tax	—	1.4	(2.3)
Net income	\$512.1	\$457.3	\$371.5

Refer to accompanying Notes to Consolidated Financial Statements.

ALLIANT ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS

December 31,

2018 **2017**

(in millions, except per
share and share amounts)

ASSETS

Current assets:

Cash and cash equivalents	\$20.9	\$27.9
Accounts receivable, less allowance for doubtful accounts	350.4	482.8
Production fuel, at weighted average cost	61.4	72.3
Gas stored underground, at weighted average cost	49.0	44.5
Materials and supplies, at weighted average cost	101.4	105.6
Regulatory assets	79.8	84.3
Prepaid gross receipts tax	42.2	41.3
Other	80.0	46.4
Total current assets	<u>785.1</u>	<u>905.1</u>

Property, plant and equipment, net

	<u>12,462.4</u>	<u>11,234.5</u>
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Investments:

ATC Holdings	293.6	274.2
Other	137.7	121.9
Total investments	<u>431.3</u>	<u>396.1</u>

Other assets:

Regulatory assets	1,657.5	1,582.4
Deferred charges and other	89.7	69.7
Total other assets	<u>1,747.2</u>	<u>1,652.1</u>

Total assets

	<u><u>\$15,426.0</u></u>	<u><u>\$14,187.8</u></u>
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LIABILITIES AND EQUITY

Current liabilities:

Current maturities of long-term debt	\$256.5	\$855.7
Commercial paper	441.2	320.2
Other short-term borrowings	—	95.0
Accounts payable	543.3	477.3
Regulatory liabilities	142.7	140.0
Other	260.4	260.8
Total current liabilities	<u>1,644.1</u>	<u>2,149.0</u>

Long-term debt, net (excluding current portion)

	<u>5,246.3</u>	<u>4,010.6</u>
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Other liabilities:

Deferred tax liabilities	1,603.1	1,478.4
Regulatory liabilities	1,350.5	1,357.2
Pension and other benefit obligations	509.1	504.0
Other	287.2	306.4
Total other liabilities	<u>3,749.9</u>	<u>3,646.0</u>

Commitments and contingencies (Note 17)

Equity:

Alliant Energy Corporation common equity:

Common stock - \$.01 par value - 480,000,000 shares authorized; 236,063,279 and 231,348,646 shares outstanding	2.4	2.3
Additional paid-in capital	2,045.5	1,845.5
Retained earnings	2,545.9	2,346.0
Accumulated other comprehensive income (loss)	1.7	(0.5)
Shares in deferred compensation trust - 384,580 and 463,365 shares at a weighted average cost of \$25.60 and \$23.91 per share	(9.8)	(11.1)
Total Alliant Energy Corporation common equity	<u>4,585.7</u>	<u>4,182.2</u>
Cumulative preferred stock of Interstate Power and Light Company	200.0	200.0
Total equity	<u>4,785.7</u>	<u>4,382.2</u>
Total liabilities and equity	<u><u>\$15,426.0</u></u>	<u><u>\$14,187.8</u></u>

Refer to accompanying Notes to Consolidated Financial Statements.

ALLIANT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2018	2017	2016
	(in millions)		
Cash flows from operating activities:			
Net income	\$522.3	\$467.5	\$381.7
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	506.9	461.8	411.6
Other amortizations	10.6	21.7	(4.8)
Deferred tax expense and tax credits	67.0	139.6	84.6
Equity income from unconsolidated investments, net	(54.6)	(44.8)	(39.6)
Distributions from equity method investments	43.9	38.1	28.3
Equity component of allowance for funds used during construction	(51.4)	(33.6)	(42.3)
Asset valuation charges for Franklin County wind farm	—	—	86.4
Other	7.8	6.7	0.8
Other changes in assets and liabilities:			
Accounts receivable	(475.4)	(441.2)	(572.2)
Regulatory assets	(16.2)	(130.8)	(3.6)
Regulatory liabilities	1.3	(83.8)	(63.0)
Deferred income taxes	55.9	81.7	102.4
Other	(90.4)	38.7	22.5
Net cash flows from operating activities	527.7	521.6	392.8
Cash flows used for investing activities:			
Construction and acquisition expenditures:			
Utility business	(1,568.3)	(1,281.8)	(1,131.2)
Other	(65.6)	(185.1)	(65.6)
Cash receipts on sold receivables	605.3	461.8	466.8
Other	(38.2)	(28.3)	9.8
Net cash flows used for investing activities	(1,066.8)	(1,033.4)	(720.2)
Cash flows from financing activities:			
Common stock dividends	(312.2)	(288.3)	(266.5)
Proceeds from issuance of common stock, net	196.6	149.6	26.6
Proceeds from issuance of long-term debt	1,500.0	550.0	800.0
Payments to retire long-term debt	(855.7)	(4.6)	(313.4)
Net change in commercial paper and other short-term borrowings	26.0	171.1	84.3
Other	(24.0)	(45.2)	(1.7)
Net cash flows from financing activities	530.7	532.6	329.3
Net increase (decrease) in cash, cash equivalents and restricted cash	(8.4)	20.8	1.9
Cash, cash equivalents and restricted cash at beginning of period	33.9	13.1	11.2
Cash, cash equivalents and restricted cash at end of period	\$25.5	\$33.9	\$13.1
Supplemental cash flows information:			
Cash paid during the period for:			
Interest, net of capitalized interest	(\$247.5)	(\$212.6)	(\$192.4)
Income taxes, net	(\$5.0)	(\$11.3)	(\$9.8)
Significant non-cash investing and financing activities:			
Accrued capital expenditures	\$299.5	\$196.5	\$154.4
Beneficial interest obtained in exchange for securitized accounts receivable	\$119.4	\$222.1	\$211.1

Refer to accompanying Notes to Consolidated Financial Statements.

ALLIANT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY

	Total Alliant Energy Common Equity					Cumulative Preferred Stock of IPL	Total Equity
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shares in Deferred Compensation Trust		
	(in millions)						
2016:							
Beginning balance	\$2.3	\$1,661.8	\$2,068.9	(\$0.4)	(\$8.5)	\$200.0	\$3,924.1
Net income attributable to Alliant Energy common shareowners			371.5				371.5
Common stock dividends (\$1.175 per share)			(266.5)				(266.5)
Common stock issued, net		26.6					26.6
Other		4.7	3.1		(1.5)		6.3
Ending balance	2.3	1,693.1	2,177.0	(0.4)	(10.0)	200.0	4,062.0
2017:							
Net income attributable to Alliant Energy common shareowners			457.3				457.3
Common stock dividends (\$1.26 per share)			(288.3)				(288.3)
Common stock issued, net		149.6					149.6
Other		2.8			(1.1)		1.7
Other comprehensive loss, net of tax				(0.1)			(0.1)
Ending balance	2.3	1,845.5	2,346.0	(0.5)	(11.1)	200.0	4,382.2
2018:							
Net income attributable to Alliant Energy common shareowners			512.1				512.1
Common stock dividends (\$1.34 per share)			(312.2)				(312.2)
Common stock issued, net	0.1	196.5					196.6
Other		3.5			1.3		4.8
Other comprehensive income, net of tax				2.2			2.2
Ending balance	\$2.4	\$2,045.5	\$2,545.9	\$1.7	(\$9.8)	\$200.0	\$4,785.7

Refer to accompanying Notes to Consolidated Financial Statements.

ALLIANT ENERGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1(a) General -

Description of Business - Alliant Energy's financial statements include the accounts of Alliant Energy and its consolidated subsidiaries. Alliant Energy is a Midwest U.S. energy holding company, whose primary wholly-owned subsidiaries are IPL, WPL, AEF and Corporate Services.

IPL is a direct subsidiary of Alliant Energy and is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas to retail customers in select markets in Iowa. IPL also sells electricity to wholesale customers in Minnesota, Illinois and Iowa, and is engaged in the generation and distribution of steam for two customers in Cedar Rapids, Iowa.

WPL is a direct subsidiary of Alliant Energy and is a public utility engaged principally in the generation and distribution of electricity and the distribution and transportation of natural gas to retail customers in select markets in Wisconsin. WPL also sells electricity to wholesale customers in Wisconsin.

AEF is comprised of Transportation, ATI, a non-utility wind farm, the Sheboygan Falls Energy Facility and other non-utility holdings. Transportation includes a short-line railway that provides freight service between Cedar Rapids, Iowa and Iowa City, Iowa; barge terminal and hauling services on the Mississippi River; and other transfer and storage services. ATI, a wholly-owned subsidiary of AEF, holds all of Alliant Energy's interest in ATC Holdings. The non-utility wind farm includes a 50% cash equity ownership interest in a 225 MW wind farm located in Oklahoma. The Sheboygan Falls Energy Facility is a 347 MW, simple-cycle, natural gas-fired EGU near Sheboygan Falls, Wisconsin, which is leased to WPL for an initial period of 20 years ending in 2025.

Corporate Services is the subsidiary formed to provide administrative services to Alliant Energy and its subsidiaries.

Basis of Presentation - The financial statements reflect investments in controlled subsidiaries on a consolidated basis and Alliant Energy's, IPL's and WPL's proportionate shares of jointly-owned utility EGUs. Unconsolidated investments, which Alliant Energy and WPL do not control, but have the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method of accounting. Under the equity method of accounting, Alliant Energy and WPL initially record the investment at cost, and adjust the carrying amount of the investment to recognize their respective share of the earnings or losses of the investee. Dividends received from an investee reduce the carrying amount of the equity investment. Investments that do not meet the criteria for consolidation or the equity method of accounting are accounted for under the cost method.

All intercompany balances and transactions, other than certain transactions affecting the rate-making process at IPL and WPL, have been eliminated from the financial statements. Such transactions not eliminated include costs that are recoverable from customers through rate-making processes. The financial statements are prepared in conformity with GAAP, which give recognition to the rate-making practices of FERC and state commissions having regulatory jurisdiction.

Certain prior period amounts in the Financial Statements and Notes have been reclassified to conform to the current period presentation for comparative purposes, including modifications to the presentation of the components of net periodic benefit costs for defined benefit pension and other postretirement plans in the income statements, and restricted cash and cash receipts on sold receivables in the cash flows statements, as discussed in Note 1(n).

Discontinued operations reported in Alliant Energy's income statements are related to various warranty claims associated with the sale of RMT, Inc. in 2013, which has resulted in operating expenses and income subsequent to the sale. Alliant Energy presents cash flows from continuing operations together with cash flows from discontinued operations in its cash flows statements.

Use of Estimates - The preparation of the financial statements requires management to make estimates and assumptions that affect: (a) the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements; and (b) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1(b) Regulatory Assets and Regulatory Liabilities - Alliant Energy, IPL and WPL are subject to regulation by FERC and various state regulatory commissions. As a result, Alliant Energy, IPL and WPL are subject to GAAP provisions for regulated operations, which provide that rate-regulated public utilities record certain costs and credits allowed in the rate-making process in different periods than for non-utility entities. Regulatory assets generally represent incurred costs that have been deferred as such costs are probable of recovery in future customer rates. Regulatory liabilities generally represent obligations to make refunds to customers or amounts collected in rates for which the related costs have not yet been incurred. Amounts recorded as regulatory assets or regulatory liabilities are generally recognized in the income statements at the time they are reflected in rates.

NOTE 1(c) Income Taxes - The liability method of accounting is followed for deferred taxes, which requires the establishment of deferred tax assets and liabilities, as appropriate, for temporary differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. Deferred taxes are recorded using currently enacted tax rates and estimates of state apportionment. Changes in deferred tax assets and liabilities associated with certain property-related differences at IPL are accounted for differently than other subsidiaries of Alliant Energy due to rate-making practices in Iowa. Rate-making practices in Iowa do not include the impact of certain deferred tax expenses (benefits) in the determination of retail rates. Based on these rate-making practices, deferred tax expense (benefit) related to these property-related differences at IPL is not recorded in the income statement but instead recorded to regulatory assets or regulatory liabilities until these temporary differences reverse. In Wisconsin, the PSCW allows rate recovery of deferred tax expense on all temporary differences.

Investment tax credits are deferred and amortized to income over the average lives of the related property. Federal Tax Reform repealed corporate federal alternative minimum tax (AMT) and allows unutilized AMT credits to be refunded over four tax years beginning with the U.S. federal tax return for calendar year 2018. Other tax credits reduce income tax expense in the year claimed.

Alliant Energy files a consolidated federal income tax return and a combined return in Wisconsin, which include Alliant Energy and its subsidiaries. Alliant Energy subsidiaries with a presence in Iowa file as part of a consolidated return in Iowa.

NOTE 1(d) Cash, Cash Equivalents and Restricted Cash - Cash and cash equivalents include short-term liquid investments that have original maturities of less than 90 days. At December 31, 2018 and 2017, restricted cash primarily related to deposits with trustees and requirements in Sheboygan Power, LLC's debt agreement.

**NOTE 1(e) Property, Plant and Equipment -
Utility Plant -**

General - Utility plant is recorded at the original cost of acquisition or construction, which includes material, labor, contractor services, AFUDC and allocable overheads, such as supervision, engineering, benefits, certain taxes and transportation. Repairs, replacements and renewals of items of property determined to be less than a unit of property or that do not increase the property's life or functionality are charged to maintenance expense. Property, plant and equipment that is probable of being retired early is classified as plant anticipated to be retired early. Generally, ordinary retirements of utility plant and salvage value are netted and charged to accumulated depreciation upon removal from utility plant accounts and no gain or loss is recognized consistent with rate-making principles. However, if regulators have approved recovery of the remaining net book value of property, plant and equipment that is retired early, or such approval by regulators is probable, the remaining net book value is reclassified from property, plant and equipment to regulatory assets upon retirement.

Depreciation - IPL and WPL use a combination of remaining life and straight-line depreciation methods as approved by their respective regulatory commissions. The composite or group method of depreciation is used, in which a single depreciation rate is applied to the gross investment in a particular class of property. This method pools similar assets and then depreciates each group as a whole. Periodic depreciation studies are performed to determine the appropriate group lives, net salvage, estimated cost of removal and group depreciation rates. These depreciation studies are subject to review and approval by IPL's and WPL's respective regulatory commissions. Depreciation expense is included within the recoverable cost of service component of rates collected from customers. The average rates of depreciation for electric, gas and other properties, consistent with current rate-making practices, were as follows:

	IPL			WPL		
	2018	2017	2016	2018	2017	2016
Electric - generation	3.6%	3.5%	3.5%	3.6%	3.5%	3.1%
Electric - distribution	2.8%	2.4%	2.4%	2.6%	2.6%	2.6%
Electric - other	4.7%	4.5%	4.2%	5.7%	6.9%	4.7%
Gas	3.2%	3.4%	3.3%	2.5%	2.5%	2.5%
Other	5.2%	4.0%	3.9%	5.8%	6.0%	5.9%

AFUDC - AFUDC represents costs to finance construction additions, including a return on equity component and cost of debt component as required by regulatory accounting. AFUDC for IPL's construction projects is calculated in accordance with FERC guidelines. AFUDC for WPL's retail and wholesale jurisdiction construction projects is calculated in accordance with PSCW and FERC guidelines, respectively. The AFUDC rates, computed in accordance with the prescribed regulatory formula, were as follows:

	2018	2017	2016
IPL (Marshalltown CWIP)	N/A	7.8%	7.9%
IPL (Wind generation CWIP)	7.5%	7.6%	N/A
IPL (other CWIP)	7.5%	7.6%	7.7%
WPL (retail jurisdiction)	7.7%	7.6%	8.2%
WPL (wholesale jurisdiction)	7.2%	6.0%	6.7%

In accordance with their respective regulatory commission decisions, IPL applies its AFUDC rates to 100% of applicable CWIP balances and WPL generally applies its AFUDC rates to 50% of applicable CWIP balances. WPL may apply its AFUDC rates to 100% of the retail portion of the CWIP balances for construction projects requiring a CA or CPCN that were approved by the PSCW after its most recent rate order, including West Riverside.

Non-utility and Other Property -

General - Non-utility property is recorded at the original cost of acquisition or construction, which includes material, labor and contractor services. Repairs, replacements and renewals of items of property determined to be less than a unit of property or that do not increase the property's life or functionality are charged to maintenance expense. Upon retirement or sale of non-utility property, the original cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in the income statements.

Costs related to software developed or obtained for internal use are capitalized and amortized on a straight-line basis over the estimated useful life of the related software. If software is retired prior to being fully amortized, the remaining book value is recorded as a loss in the income statements.

NOTE 1(f) Revenue Recognition -

Utility - Revenues from Alliant Energy's utility business are primarily from electric and gas sales to customers. Utility revenues are recognized over time as services are rendered or commodities are delivered to customers, and include billed and unbilled components. The billed component is based on the reading of customers' meters, which occurs on a systematic basis throughout each reporting period and represents the fair value of the services provided or commodities delivered. The unbilled component is estimated and recorded at the end of each reporting period based on estimated amounts of energy delivered to customers since the end of each customer's last billing period. The unbilled revenue is based on estimates of daily system demand volumes, customer usage by class, temperature impacts, line losses and the most recent customer rates.

IPL and WPL accrue revenues from their wholesale customers to the extent that the actual net revenue requirements calculated in accordance with FERC-approved formula rates for the reporting period are higher or lower than the amounts billed to wholesale customers during such period. Regulatory assets or regulatory liabilities are recorded as the offset for these accrued revenues under formulaic rate-making programs. As of December 31, 2018, the related amounts accrued for IPL and WPL were not material.

IPL and WPL participate in bid/offer-based wholesale energy and ancillary services markets operated by MISO. The MISO transactions are grouped together, resulting in a net supply to or net purchase from MISO for each hour of each day. The net supply to MISO is recorded as bulk power sales in "Electric utility revenues" and the net purchase from MISO is recorded in "Electric production fuel and purchased power" in the income statements.

Non-utility - Revenues from Alliant Energy's non-utility businesses are primarily from its Transportation business and are recognized over time as services are rendered to customers.

Taxes Collected from Customers - Sales or various other taxes collected by certain of Alliant Energy's subsidiaries on behalf of other agencies are recorded on a net basis and are not included in revenues.

Other - Alliant Energy, IPL and WPL do not disclose the value of unsatisfied performance obligations for: (i) contracts with an original expected length of one year or less; and (ii) contracts for which revenue is recognized at the amount to which they have the right to invoice for services performed.

NOTE 1(g) Utility Cost Recovery Mechanisms -

Electric Production Fuel and Purchased Power (Fuel-related Costs) - Fuel-related costs are incurred to generate and purchase electricity to meet the demand of IPL's and WPL's electric customers. These fuel-related costs include the cost of fossil fuels (primarily natural gas and coal) used to produce electricity at their EGUs, and electricity purchased from MISO wholesale energy markets and under PPAs. These fuel-related costs are recorded in "Electric production fuel and purchased power" in the income statements.

IPL Retail - The cost recovery mechanisms for IPL's retail electric customers provide for monthly adjustments to their electric rates for changes in fuel-related costs. Changes in the under-/over-collection of these costs are recognized in "Electric production fuel and purchased power" in Alliant Energy's income statements. The cumulative effects of the under-/over-collection of these costs are recorded in regulatory assets or regulatory liabilities on Alliant Energy's balance sheets until they are reflected in future billings to customers.

WPL Retail - The cost recovery mechanism for WPL's retail electric customers is based on forecasts of certain fuel-related costs expected to be incurred during forward-looking test periods and fuel monitoring ranges determined by the PSCW during each retail electric rate proceeding or in a separate fuel cost plan approval proceeding. If WPL's actual fuel-related costs fall outside these fuel monitoring ranges, WPL is authorized to defer the incremental under-/over-collection of fuel-related costs that are outside the approved ranges. Deferral of under-collections are reduced to the extent actual return on common equity earned by WPL during the fuel cost plan year exceeds the most recently authorized return on common equity. Deferred amounts for fuel-related costs outside the approved fuel monitoring ranges are recognized in "Electric production fuel and purchased power" in Alliant Energy's income statements. The cumulative effects of these deferred amounts are recorded in regulatory assets or regulatory liabilities on Alliant Energy's balance sheets until they are reflected in future billings to customers.

IPL and WPL Wholesale - The cost recovery mechanisms for IPL's and WPL's wholesale electric customers provide for subsequent adjustments to their electric rates for changes in fuel-related costs. Changes in the under-/over-collection of these costs are recognized in "Electric production fuel and purchased power" in the income statements. The cumulative effects of the under-/over-collection of these costs are recorded in regulatory assets or regulatory liabilities on the balance sheets until they are reflected in future billings to customers.

Purchased Electric Capacity - PPAs help meet the electricity demand of IPL's and WPL's customers. Certain of these PPAs include minimum payments for IPL's and WPL's rights to electric generating capacity, which are charged each period to "Electric production fuel and purchased power" in the income statements. Purchased electric capacity expenses are recovered from IPL's and WPL's retail electric customers through changes in base rates determined during periodic rate proceedings. Purchased electric capacity expenses are recovered from IPL's and WPL's wholesale electric customers through annual changes in base rates determined by a formula rate structure.

Electric Transmission Service - Costs incurred for the transmission of electricity to meet the demands of IPL's and WPL's customers are charged to "Electric transmission service" in the income statements.

IPL Retail - Electric transmission service expense is recovered from IPL's retail electric customers through a transmission cost rider. This cost recovery mechanism provides for annual adjustments to electric rates charged to retail electric customers for changes in electric transmission service expense. Changes in the under-/over-collection of these costs are recognized in "Electric transmission service" in Alliant Energy's income statements. The cumulative effects of the under-/over-collection of these costs are recorded in regulatory assets or regulatory liabilities on Alliant Energy's balance sheets until they are reflected in future billings to customers.

WPL Retail - Electric transmission service expense is recovered from WPL's retail electric customers through changes in base rates determined during periodic rate proceedings. Pursuant to escrow accounting treatment approved by the PSCW, the

difference between actual electric transmission service expense incurred and the amount of electric transmission service costs collected from customers as electric revenues is recognized in “Electric transmission service” in Alliant Energy’s income statements. An offsetting amount is recorded in regulatory assets or regulatory liabilities on Alliant Energy’s balance sheets until reflected in future billings to customers.

IPL and WPL Wholesale - IPL and WPL arrange transmission service for the majority of their respective wholesale electric customers. Electric transmission service expense is allocated to and recovered from these customers based on a load ratio share computation.

Cost of Gas Sold - Costs are incurred for the purchase, transportation and storage of natural gas to serve IPL’s and WPL’s gas customers and the costs associated with the natural gas delivered to customers are charged to “Cost of gas sold” in the income statements. The tariffs for IPL’s and WPL’s retail gas customers provide for subsequent adjustments to their rates each month for changes in the cost of gas sold. Changes in the under-/over-collection of these costs are also recognized in “Cost of gas sold” in the income statements. The cumulative effects of the under-/over-collection of these costs are recorded in regulatory assets or regulatory liabilities on the balance sheets until they are reflected in future billings to customers.

Energy Efficiency Costs - Costs incurred to fund energy efficiency programs and initiatives that help customers reduce their energy usage are charged to “Other operation and maintenance” in the income statements. Energy efficiency costs incurred by IPL are recovered from its retail electric and gas customers through an additional tariff called an energy efficiency cost recovery factor, which is revised annually and includes a reconciliation to eliminate any under-/over-collection of energy efficiency costs from prior periods. Energy efficiency costs incurred by WPL are recovered from retail electric and gas customers through changes in base rates determined during periodic rate proceedings. Reconciliations of any under-/over-collection of energy efficiency costs from prior periods are also addressed in WPL’s periodic rate proceedings. Changes in the under-/over-collection of energy efficiency costs for IPL and WPL are recognized in “Other operation and maintenance” in the income statements. The cumulative effects of the under-/over-collection of these costs for IPL and WPL are recorded in regulatory assets or regulatory liabilities on the balance sheets until they are reflected in future billings to customers.

NOTE 1(h) Financial Instruments - Financial instruments are periodically used for risk management purposes to mitigate exposures to fluctuations in certain commodity prices and transmission congestion costs. The fair value of those financial instruments that are determined to be derivatives are recorded as assets or liabilities on the balance sheets. Certain commodity purchase and sales contracts qualify for and have been designated under the normal purchase and sale exception and are accounted for on the accrual basis of accounting. Alliant Energy, IPL and WPL have elected to not net the fair value amounts of derivatives subject to a master netting arrangement by counterparty. Alliant Energy, IPL and WPL do not offset fair value amounts recognized for the right to reclaim cash collateral (receivable) or the obligation to return cash collateral (payable) against fair value amounts recognized for derivative instruments that are executed with the same counterparty under the same master netting arrangement. Refer to Note 2 for discussion of the recognition of regulatory assets and regulatory liabilities related to the unrealized losses and gains on derivative instruments. Refer to Notes 15, 16 and 17(f) for further discussion of derivatives and related credit risk.

NOTE 1(i) Asset Impairments -

Property, Plant and Equipment of Regulated Operations - Property, plant and equipment of regulated operations are reviewed for possible impairment whenever events or changes in circumstances indicate all or a portion of the carrying value of the assets may be disallowed for rate-making purposes. If IPL or WPL are disallowed recovery of any portion of the carrying value of their regulated property, plant and equipment that is under construction, has been recently completed or is probable of abandonment, or conclude it is probable recovery will be disallowed, an impairment charge is recognized equal to the amount of the carrying value that was disallowed or is probable of being disallowed. If IPL or WPL are only allowed a partial return on the carrying value of their regulated property, plant and equipment that is under construction, has been recently completed or is probable of abandonment, or conclude it is probable a full return will not be allowed, an impairment charge is recognized equal to the difference between the carrying value and the present value of the future revenues expected from their regulated property, plant and equipment.

Property, Plant and Equipment of Non-utility Operations - Property, plant and equipment of non-utility operations are reviewed for possible impairment whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Impairment is indicated if the carrying value of an asset exceeds its undiscounted future cash flows. If an impairment is indicated, a charge is recognized equal to the amount the carrying value exceeds the asset’s fair value.

Unconsolidated Equity Investments - If events or circumstances indicate the carrying value of investments accounted for under the equity method of accounting exceeds fair value and the decline in value is other than temporary, potential

impairment is assessed. If an impairment is indicated, a charge is recognized equal to the amount the carrying value exceeds the investment's fair value.

NOTE 1(j) Asset Retirement Obligations - The fair value of a legal obligation associated with the retirement of an asset is recorded as a liability when an asset is placed in service, when a legal obligation is subsequently identified and when sufficient information becomes available to determine a reasonable estimate of the fair value of future retirement costs. When an ARO is recorded as a liability, an equivalent amount is added to the asset cost. The fair value of AROs at inception is determined using discounted cash flows analyses. The liability is accreted to its present value and the capitalized cost is depreciated over the useful life of the related asset. Accretion and depreciation expenses related to AROs for IPL's and WPL's regulated operations are recorded to regulatory assets on the balance sheets. Upon regulatory approval to recover IPL's AROs expenditures, its regulatory assets are amortized to depreciation and amortization expenses in Alliant Energy's income statements over the same time period the ARO expenditures are recovered from IPL's customers. WPL's regulatory assets related to AROs are being recovered as a component of depreciation rates pursuant to PSCW and FERC orders. Accretion and depreciation expenses related to AROs for Alliant Energy's non-utility operations are recorded to depreciation and amortization expenses in Alliant Energy's income statements. Upon settlement of the ARO liability, an entity settles the obligation for its recorded amount or incurs a gain or loss. Any gains or losses related to AROs for IPL's and WPL's regulated operations are recorded to regulatory liabilities or regulatory assets on the balance sheets.

NOTE 1(k) Debt Issuance and Retirement Costs - Debt issuance costs and debt premiums or discounts are presented on the balance sheet as a direct adjustment to the carrying amount of the related debt liability, and are deferred and amortized over the expected life of each debt issue, considering maturity dates and, if applicable, redemption rights held by others. Alliant Energy's non-utility businesses and Corporate Services record to interest expense in the period of retirement any unamortized debt issuance costs and debt premiums or discounts on debt retired early.

NOTE 1(l) Allowance for Doubtful Accounts - Allowances for doubtful accounts are recorded for estimated losses resulting from the inability of customers to make required payments. Allowances for doubtful accounts are estimated based on historical write-offs, customer arrears and other economic factors within IPL's and WPL's service territories.

NOTE 1(m) Variable Interest Entities - An entity is considered a VIE if its equity investors do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties, the entity is structured with disproportionate voting rights and substantially all of the entity's activities are conducted on behalf of the investor with disproportionately fewer voting rights, or its equity investors lack any of the following characteristics: (1) power, through voting rights or similar rights, to direct the activities of the entity that most significantly impact the entity's economic performance; (2) the obligation to absorb expected losses of the entity; or (3) the right to receive expected benefits of the entity. The primary beneficiary of a VIE is required to consolidate the VIE. The financial statements do not reflect any consolidation of VIEs.

NOTE 1(n) New Accounting Standards -

Revenue Recognition - In May 2014, the FASB issued an accounting standard providing principles for recognizing revenue for the transfer of promised goods or services to customers with the consideration to which the entity expects to be entitled in exchange for those goods or services. Alliant Energy, IPL and WPL adopted this standard on January 1, 2018 using the modified retrospective method of adoption, which was applied to contracts with customers that were completed subsequent to January 1, 2018. Alliant Energy, IPL and WPL utilized a portfolio approach upon adoption, which involved evaluating portfolios of contracts with similar characteristics, where the effects of applying the standard were not expected to be materially different than evaluating on an individual contract basis. Upon adoption, there were no cumulative effect adjustments made to the January 1, 2018 retained earnings balances. In addition, prior period amounts have not been restated to reflect the adoption of this standard and continue to be reported under the accounting standards in effect for those periods. Alliant Energy, IPL and WPL did not have a material change in revenue recognition, including the timing and pattern of revenue recognition, as a result of the adoption of this standard.

Leases - In February 2016, the FASB issued an accounting standard requiring lease assets and lease liabilities, including operating leases, to be recognized on the balance sheet for all leases with terms longer than 12 months. The standard also requires disclosure of key information about leasing arrangements. Alliant Energy, IPL and WPL adopted this standard on January 1, 2019 using an optional transition approach and there was no cumulative effect adjustment to their balance sheets as of January 1, 2019. Alliant Energy expects to recognize increases in assets and liabilities for certain operating leases of approximately \$18 million on January 1, 2019. After adoption, prior period amounts will continue to be reported under the accounting standards in effect for those periods. Alliant Energy, IPL and WPL do not expect a material change to their results of operations or cash flows statements.

Upon transition to the new standard, Alliant Energy, IPL and WPL elected the land easement transition practical expedient, for which existing land easements that were not previously accounted for as leases under the original accounting standards did not need to be evaluated under the new accounting standard. In addition, Alliant Energy, IPL and WPL evaluated land easements that were previously accounted for as leases and determined that the majority of these land easements relate to joint-use land sites, and do not meet the criteria for leases under the new accounting standard. Therefore, these land easement arrangements are no longer reflected as operating leases effective January 1, 2019. Alliant Energy's, IPL's and WPL's operating leases under the new accounting standard are primarily comprised of leases of space on telecommunication towers and leases of property.

Pension and Other Postretirement Benefits Plans - In March 2017, the FASB issued an accounting standard amending the income statement presentation of the components of net periodic benefit costs for defined benefit pension and other postretirement plans. The standard requires entities to (1) disaggregate the current service cost component from the other components of net periodic benefit costs and present it with other employee compensation costs in the income statement; and (2) include the other components in the income statement outside of operating income. Only the service cost component of net periodic benefit costs is eligible for capitalization into property, plant and equipment; however, IPL and WPL, as rate-regulated entities, capitalize the other components of net periodic benefit costs into regulatory assets or regulatory liabilities. Alliant Energy, IPL and WPL adopted this standard on January 1, 2018 and used the retrospective method of adoption for the presentation requirements and the prospective method of adoption for the capitalization requirements. Alliant Energy, IPL and WPL used the actual net periodic benefit costs adjusted for approximately 40% of net periodic benefit costs allocated to capital projects for the retrospective method of adoption for the presentation requirements. The change in presentation resulted in a decrease in "Other operation and maintenance" expenses and an increase in "Other (income) and deductions" in Alliant Energy's income statements of \$17.8 million in 2017 and \$17.1 million in 2016. Segment operating income (loss) was revised for these presentation requirements.

In August 2018, the FASB issued an accounting standard modifying disclosure requirements for employers that sponsor defined benefit pension or OPEB plans. Alliant Energy, IPL and WPL early adopted this standard in the fourth quarter of 2018, which was applied retrospectively.

Cash Flows Statements - In August 2016, the FASB issued an accounting standard providing specific guidance on several cash flow classification matters. The accounting standard requires classification of the consideration received for the beneficial interest obtained for transferring accounts receivable from IPL's sales of accounts receivable program as an investing activity, instead of an operating activity. Alliant Energy, IPL and WPL retrospectively adopted this standard on January 1, 2018, and use a method of presentation that allocates cash flows between operating and investing activities based on daily transactional activity. Alliant Energy and IPL reclassified \$461.8 million in 2017 and \$466.8 million in 2016 of the related cash received from IPL's sales of accounts receivable program from operating activities to investing activities based on daily transactional activity.

In November 2016, the FASB issued an accounting standard requiring restricted cash to be included within beginning-of-period and end-of-period cash and cash equivalents in the cash flows statements. Alliant Energy, IPL and WPL adopted this standard on January 1, 2018, which was applied retrospectively.

NOTE 2. REGULATORY MATTERS

Regulatory Assets - Alliant Energy, IPL and WPL assess whether IPL's and WPL's regulatory assets are probable of future recovery by considering factors such as applicable regulations, recent orders by the applicable regulatory agencies, historical treatment of similar costs by the applicable regulatory agencies and regulatory environment changes. Based on these assessments, Alliant Energy, IPL and WPL believe the regulatory assets recognized as of December 31, 2018 are probable of future recovery. However, no assurance can be made that IPL and WPL will recover all of these regulatory assets in future rates. If future recovery of a regulatory asset ceases to be probable, the regulatory asset will be charged to expense. At December 31, regulatory assets were comprised of the following items (in millions):

	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Tax-related	\$820.6	\$778.2	\$783.1	\$750.5	\$37.5	\$27.7
Pension and OPEB costs	542.3	548.0	274.0	274.4	268.3	273.6
EGUs retired early	111.6	63.8	55.4	31.6	56.2	32.2
AROs	110.8	109.3	76.3	72.5	34.5	36.8
Derivatives	28.0	45.3	15.1	21.8	12.9	23.5
Emission allowances	23.6	25.5	23.6	25.5	—	—
Other	100.4	96.6	51.5	55.3	48.9	41.3
	<u>\$1,737.3</u>	<u>\$1,666.7</u>	<u>\$1,279.0</u>	<u>\$1,231.6</u>	<u>\$458.3</u>	<u>\$435.1</u>

At December 31, 2018, IPL and WPL had \$77 million and \$6 million, respectively, of regulatory assets that were not earning a return. IPL's regulatory assets that were not earning a return consisted primarily of certain EGUs retired early, emission allowances, debt redemption costs, and costs for clean air compliance and wind generation expansion projects. WPL's regulatory assets that were not earning a return consisted primarily of environmental-related costs and amounts related to the wholesale portion of under-collected fuel-related costs. The other regulatory assets reported in the above table either earn a return or the cash has not yet been expended, in which case the assets are offset by liabilities that also do not incur a carrying cost.

Tax-related - IPL and WPL record regulatory assets for certain temporary differences (primarily related to utility property, plant and equipment at IPL) that result in a decrease in current rates charged to customers and an increase in future rates charged to customers based on the timing of income tax expense that is used to determine such rates. These temporary differences for IPL include the impacts of qualifying deductions for repairs expenditures, allocation of mixed service costs, and Iowa accelerated tax depreciation, which all contribute to lower current income tax expense during the first part of an asset's useful life and higher current tax expense during the latter part of an asset's useful life. These regulatory assets will be recovered from customers in the future when these temporary differences reverse resulting in additional current income tax expense used to determine customers' rates. During 2018, Alliant Energy's and IPL's tax-related regulatory assets increased primarily due to property-related differences for qualifying repairs expenditures. Partially offsetting this increase was a decrease due to the impacts of Iowa tax reform as discussed in Note 12.

Pension and other postretirement benefits costs - The IUB, PSCW and FERC have authorized IPL and WPL to record the previously unrecognized net actuarial gains and losses, and prior service costs and credits, as regulatory assets in lieu of accumulated other comprehensive loss on the balance sheets, as these amounts are expected to be recovered in future rates. These regulatory assets will be increased or decreased as the net actuarial gains or losses, and prior service costs or credits, are subsequently amortized and recognized as a component of net periodic benefit costs. Regulatory assets are also increased or decreased as a result of the annual defined benefit plan measurement process. Pension and OPEB costs are included within the recoverable cost of service component of rates charged to IPL's and WPL's retail and wholesale customers, which are based upon pension and OPEB costs determined in accordance with GAAP and are calculated in accordance with IPL's and WPL's respective regulatory jurisdictions.

Electric generating units retired early - IPL and WPL have retired various natural gas-fired and coal-fired EGUs and reclassified the remaining net book value of these EGUs from property, plant and equipment to regulatory assets on the balance sheets. Details regarding the recovery of the remaining net book value of these EGUs from IPL's and WPL's customers are as follows:

Entity	EGU	Retirement Date	Regulatory Asset Balance as of Dec. 31, 2018	Recovery	Regulatory Approval
IPL	Sutherland Units 1 and 3	June 2017	\$27.6	Return of remaining net book value over 10 years	IUB and FERC
IPL	M.L. Kapp Unit 2	June 2018	27.8	Return of and return on remaining net book value over 10 years	Pending with FERC; to be addressed with IUB
WPL	Nelson Dewey Units 1 and 2 and Edgewater Unit 3	December 2015	27.4	Return of and return on remaining net book value over 10 years	PSCW and FERC
WPL	Edgewater Unit 4	September 2018	28.8	Return of and return on remaining net book value over 10 years	PSCW and pending with FERC

AROs - Alliant Energy, IPL and WPL believe it is probable that certain differences between expenses accrued for legal AROs related to their utility operations and expenses recovered currently in rates will be recoverable in future rates, and are deferring the differences as regulatory assets.

Derivatives - In accordance with IPL's and WPL's fuel and natural gas recovery mechanisms, prudently incurred costs from derivative instruments are recoverable from customers in the future after any losses are realized, and gains from derivative instruments are refundable to customers in the future after any gains are realized. Based on these recovery mechanisms, the changes in the fair value of derivative liabilities/assets resulted in comparable changes to regulatory assets/liabilities on the balance sheets.

Emission allowances - IPL entered into forward contracts in 2007 to purchase SO2 emission allowances with vintage years of 2014 through 2017 from various counterparties to meet expected future emission reduction standards. Alliant Energy and IPL have recorded a regulatory asset for amounts paid under the forward contracts and are authorized to recover these amounts from its retail customers over a 10-year period.

Regulatory Liabilities - At December 31, regulatory liabilities were comprised of the following items (in millions):

	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Tax-related	\$890.6	\$899.4	\$390.1	\$399.5	\$500.5	\$499.9
Cost of removal obligations	401.2	410.0	273.3	274.5	127.9	135.5
Electric transmission cost recovery	104.0	90.4	47.7	26.4	56.3	64.0
WPL earnings sharing mechanism	25.4	8.0	—	—	25.4	8.0
Commodity cost recovery	16.8	21.0	11.9	14.6	4.9	6.4
IPL's tax benefit riders	6.4	25.0	6.4	25.0	—	—
Other	48.8	43.4	25.5	15.4	23.3	28.0
	<u>\$1,493.2</u>	<u>\$1,497.2</u>	<u>\$754.9</u>	<u>\$755.4</u>	<u>\$738.3</u>	<u>\$741.8</u>

Regulatory liabilities related to cost of removal obligations, to the extent expensed through depreciation rates, reduce rate base. Tax-related regulatory liabilities related to excess deferred taxes also reduce revenue requirement calculations utilized in IPL's and WPL's respective rate proceedings. A significant portion of the remaining regulatory liabilities are not used to adjust revenue requirement calculations.

Tax-related - Alliant Energy's, IPL's and WPL's tax-related regulatory liabilities are primarily related to excess deferred tax benefits resulting from the remeasurement of accumulated deferred income taxes caused by Federal Tax Reform. A portion of these benefits related to accelerated depreciation are subject to tax normalization rules. These rules limit the rate at which these tax benefits are allowed to be passed on to customers.

Cost of removal obligations - Alliant Energy, IPL and WPL collect in rates future removal costs for many assets that do not have associated legal AROs. Alliant Energy, IPL and WPL record a regulatory liability for the amounts collected in rates for these future removal costs and reduce the regulatory liability for amounts spent on removal activities.

Electric transmission cost recovery - Refer to Note 1(g) for details of IPL's and WPL's electric transmission cost recovery mechanisms. Starting in March 2018, amounts billed by transmission providers decreased due to the impacts from Federal Tax Reform. During 2018, Alliant Energy, IPL and WPL recorded the benefits associated with lower transmission expense as regulatory liabilities. In May 2018, IPL starting providing these benefits back to its retail electric customers utilizing the transmission recovery mechanism. WPL is deferring these benefits until a future rate proceeding. Offsetting WPL's increase in regulatory liabilities was transmission expense amortizations as authorized in the WPL retail electric rate review (2017/2018 Test Period).

WPL earnings sharing mechanism - Pursuant to PSCW orders, WPL must defer a portion of its earnings if its annual regulatory return on common equity exceeds certain levels during the related test periods. As of December 31, 2018, Alliant Energy and WPL deferred \$20 million of WPL's 2018 earnings related to this provision. The timing of the refund of these regulatory liabilities to customers will be determined in a future WPL regulatory proceeding.

Commodity cost recovery - Refer to Note 1(g) for details of IPL's and WPL's commodity cost recovery mechanisms.

IPL's tax benefit riders - The IUB has approved electric and gas tax benefit riders proposed by IPL, which utilize regulatory liabilities to credit bills of IPL's Iowa retail electric and gas customers to help offset the impact of rate increases on such customers. Alliant Energy and IPL recognize an offsetting reduction to income tax expense for the after-tax amounts credited to such customers, resulting in no impact to their net income from the electric and gas tax benefit riders. The tax benefit riders regulatory liabilities are related to tax benefits from tax accounting method changes for repairs expenditures and cost of

removal expenditures, and a rate-making accounting change for capitalized interest. In 2018, Alliant Energy's and IPL's "IPL's tax benefit riders" regulatory liabilities decreased by \$19 million as follows (in millions):

Electric tax benefit rider credits	\$17
Gas tax benefit rider credits	2
	<u>\$19</u>

Other - In January 2018, the IUB issued an order requiring IPL and other investor-owned utilities in Iowa to track all calculated differences since January 1, 2018 resulting from Federal Tax Reform, such that any over-collections can be refunded to its customers at a future date. Pursuant to IUB approval, the retail electric portion of IPL's Federal Tax Reform benefits is currently being refunded to customers, beginning May 2018. In January 2018, the PSCW issued an order directing WPL and other investor-owned utilities in Wisconsin to defer the revenue requirement impacts resulting from Federal Tax Reform since its inception. Pursuant to PSCW approval, the retail electric and gas portions of WPL's Federal Tax Reform benefits are currently being refunded to customers, beginning June 2018. In 2018, Alliant Energy, IPL, and WPL refunded benefits of \$66 million, \$25 million and \$41 million, respectively, from the 2018 impact of Federal Tax Reform, which were recorded as a reduction in revenues. As of December 31, 2018, Alliant Energy's, IPL's and WPL's remaining deferrals related to Federal Tax Reform were \$20 million, \$15 million and \$5 million, respectively, which are included in "Other" in the regulatory liabilities table above.

Utility Rate Reviews -

IPL's Retail Electric Rate Review (2016 Test Year) - In April 2017, IPL filed a request with the IUB to increase annual electric base rates for its Iowa retail electric customers. The request was based on a 2016 historical Test Year and an interim retail electric base rate increase of \$102 million, or approximately 7%, on an annual basis, was implemented effective April 13, 2017. Tax benefit rider credits and MISO transmission owner return on equity refunds were used to reduce the effect of the interim rate increase on customer bills in 2017. In September 2017, IPL reached a partial, non-unanimous settlement agreement with intervener groups for an annual retail electric base rate increase of \$130 million, or approximately 9%. In February 2018, the IUB issued an order approving the settlement. Final rates were effective May 1, 2018. The final rate increase includes continuation of the electric transmission cost rider; increased depreciation expense resulting from an updated depreciation study; recovery over a four-year period of ARO expenditures since the last retail electric rate filing in 2010; recovery over a 10-year period of the remaining net book value of Sutherland Units 1 and 3, unamortized forward contract costs for SO2 emission allowances and cancelled project costs approved in a prior EPB; and no double leverage applied to the weighted-average cost of capital. As a result of the partial settlement, in 2017, IPL recorded a write-down of regulatory assets of \$9 million, including \$4 million to "Other operation and maintenance" expenses primarily related to IPL being no longer probable of earning a return on the remaining net book value of Sutherland Units 1 and 3 from its retail customers with implementation of final rates, and \$5 million to "Depreciation and amortization" expenses for certain AROs deemed no longer probable of recovery in future rates.

WPL's Retail Electric and Gas Rate Review (2019/2020 Test Period) - In December 2018, the PSCW issued an order approving WPL's proposed settlement for its retail electric and gas rate review covering the 2019/2020 Test Period, which was based on a stipulated agreement between WPL and intervener groups. Under the settlement, WPL retail electric and gas base rates will not change from current levels through the end of 2020.

WPL's Retail Electric and Gas Rate Review (2017/2018 Test Period) - In December 2016, WPL received an order from the PSCW authorizing WPL to implement increases in annual retail electric and gas rates of \$9 million and \$9 million, respectively, effective January 1, 2017 followed by a freeze of such rates through the end of 2018. The \$9 million net annual retail electric rate increase reflects a \$60 million increase in base rates, partially offset by a \$51 million reduction in fuel-related costs, using an estimate for 2017 fuel-related costs. The order included utilization of amounts that WPL previously over-recovered from its customers for energy efficiency cost recovery and electric transmission cost recovery to reduce the requested base rate increase. The order also included provisions that required WPL to defer a portion of its earnings if its annual regulatory return on common equity exceeded certain levels in 2017 or 2018.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

At December 31, details of property, plant and equipment on the balance sheets were as follows (in millions):

	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Utility:						
Electric plant:						
Generation in service	\$6,800.6	\$6,655.3	\$3,610.4	\$3,715.9	\$3,190.2	\$2,939.4
Distribution in service	5,452.2	5,123.5	3,023.7	2,820.9	2,428.5	2,302.6
Other in service	410.8	425.1	260.4	282.3	150.4	142.8
Anticipated to be retired early (a)	—	93.0	—	—	—	93.0
Total electric plant	12,663.6	12,296.9	6,894.5	6,819.1	5,769.1	5,477.8
Gas plant in service	1,387.6	1,244.0	763.1	654.8	624.5	589.2
Other plant in service	513.2	571.9	322.4	333.4	190.8	238.5
Accumulated depreciation	(4,314.6)	(4,283.1)	(2,294.7)	(2,311.0)	(2,019.9)	(1,972.1)
Net plant	10,249.8	9,829.7	5,685.3	5,496.3	4,564.5	4,333.4
Leased Sheboygan Falls Energy Facility, net (b)	—	—	—	—	38.1	46.2
Construction work in progress	1,774.8	962.2	1,091.2	424.4	683.6	537.8
Other, net	6.1	6.0	5.0	5.5	1.1	0.5
Total utility	12,030.7	10,797.9	6,781.5	5,926.2	5,287.3	4,917.9
Non-utility and other:						
Non-utility Generation, net (c)	86.9	90.9	—	—	—	—
Corporate Services and other, net (d)	344.8	345.7	—	—	—	—
Total non-utility and other	431.7	436.6	—	—	—	—
Total property, plant and equipment	\$12,462.4	\$11,234.5	\$6,781.5	\$5,926.2	\$5,287.3	\$4,917.9

- (a) In 2018, WPL retired Edgewater Unit 4 and reclassified the remaining net book value of this EGU from property, plant and equipment to a regulatory asset on Alliant Energy's balance sheets.
- (b) Less accumulated amortization of \$82.8 million and \$77.6 million for WPL as of December 31, 2018 and 2017, respectively. The Sheboygan Falls Energy Facility is eliminated from WPL upon consolidation and is included in the "Non-utility Generation, net" line within Alliant Energy's consolidated property, plant and equipment.
- (c) Less accumulated depreciation of \$54.5 million and \$50.5 million for Alliant Energy as of December 31, 2018 and 2017, respectively.
- (d) Less accumulated depreciation of \$167.5 million and \$285.6 million for Alliant Energy as of December 31, 2018 and 2017, respectively.

Generation in Service -

WPL's Acquisition of Forward Wind Energy Center - In 2018, WPL, along with WPSC and MGE, received approval from the PSCW and FERC to acquire a partial ownership interest in the assets of FWEC, which is a 129 MW wind farm located in Wisconsin. In April 2018, WPL acquired 55 MW of the FWEC wind farm for approximately \$74 million. WPL, WPSC and MGE had been receiving electricity from the FWEC wind farm under PPAs since FWEC began commercial operations in 2008. Upon completion of the acquisitions, such PPAs terminated. As of the closing date, the estimated fair value of the assets purchased and the liabilities assumed by WPL were as follows (in millions):

Property, plant and equipment, net	\$81
Liabilities	7
Net assets acquired	\$74

Franklin County Wind Farm - In 2016, based on an evaluation of the strategic options for the Franklin County wind farm, Alliant Energy concluded it was probable the Franklin County wind farm would be transferred to IPL. As a result, Alliant Energy performed an impairment analysis of such assets and recorded non-cash, pre-tax asset valuation charges of \$86 million (after-tax charges of \$51 million, or \$0.23 per share) in 2016. Alliant Energy recorded such charges as a reduction to property, plant and equipment on its balance sheet and charges to "Asset valuation charges for Franklin County wind farm" in its income statement in 2016.

In April 2017, the Franklin County wind farm was transferred from AEF to IPL as approved by a February 2017 FERC order. IPL's purchase price, including certain transaction-related costs, was \$32 million. As of the closing date, the estimated fair values of the assets purchased and liabilities assumed by IPL were as follows (in millions):

Electric plant in service	\$40
Current assets	2
Total assets acquired	42
Other liabilities	10
Net assets acquired	\$32

AFUDC - AFUDC represents costs to finance construction additions, including a return on equity component and cost of debt component as required by regulatory accounting. The concurrent credit for the amount of AFUDC capitalized is recorded as “Allowance for funds used during construction” in the income statements. The amount of AFUDC generated by equity and debt components was as follows (in millions):

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Equity	\$51.4	\$33.6	\$42.3	\$28.6	\$21.1	\$35.2	\$22.8	\$12.5	\$7.1
Debt	24.2	16.1	20.2	13.6	10.3	16.8	10.6	5.8	3.4
	\$75.6	\$49.7	\$62.5	\$42.2	\$31.4	\$52.0	\$33.4	\$18.3	\$10.5

Non-utility and Other - The non-utility and other property, plant and equipment recorded on Alliant Energy’s balance sheets includes the following:

Non-utility Generation - The Sheboygan Falls Energy Facility was placed into service in 2005 and is depreciated using the straight-line method over a 35-year period. As of December 31, 2018, Alliant Energy recorded \$87 million on its balance sheet related to the Sheboygan Falls Energy Facility.

Corporate Services and Other - Property, plant and equipment related to Corporate Services includes a customer billing and information system for IPL and WPL and other computer software, and the corporate headquarters building located in Madison, Wisconsin. The customer billing and information system is amortized using the straight-line method over a 12-year period. The majority of the remaining software is amortized over a 5-year period. Property, plant and equipment related to Transportation includes a short-line railway in Iowa and a barge terminal on the Mississippi River. The Corporate Services and Other property, plant and equipment is depreciated using the straight-line method over periods ranging from 5 to 30 years.

NOTE 4. JOINTLY-OWNED ELECTRIC UTILITY PLANT

Under joint ownership agreements with other utilities, IPL and WPL have undivided ownership interests in jointly-owned EGUs. Each of the respective owners is responsible for the financing of its portion of the construction costs. KWh generation and operating expenses are primarily divided between the joint owners on the same basis as ownership. IPL’s and WPL’s shares of expenses from jointly-owned EGUs are included in the corresponding operating expenses (e.g., electric production fuel, other operation and maintenance, etc.) in the income statements. Information relative to IPL’s and WPL’s ownership interest in these jointly-owned EGUs at December 31, 2018 was as follows (dollars in millions):

	Ownership Interest %	Electric Plant	Accumulated Provision for Depreciation	Construction Work in Progress
IPL				
Ottumwa Unit 1	48.0%	\$507.1	\$161.7	\$65.3
George Neal Unit 4	25.7%	187.3	89.8	1.2
George Neal Unit 3	28.0%	156.7	57.8	1.4
Louisa Unit 1	4.0%	39.2	23.9	0.8
		890.3	333.2	68.7
WPL				
Columbia Units 1-2	52.5%	779.4	247.9	9.8
FWEC	42.6%	119.7	41.2	0.1
West Riverside (a)	91.8%	—	—	538.4
		899.1	289.1	548.3
Alliant Energy		\$1,789.4	\$622.3	\$617.0

- (a) In January 2018, certain electric cooperatives, which currently have wholesale power supply agreements with WPL, acquired a partial ownership interest in West Riverside.

NOTE 5. RECEIVABLES

NOTE 5(a) Accounts Receivable - Details for accounts receivable included on the balance sheets as of December 31 were as follows (in millions):

	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Customer	\$91.0	\$103.3	\$—	\$—	\$84.8	\$97.7
Unbilled utility revenues	74.2	85.1	—	—	74.2	85.1
Deferred proceeds	119.4	222.1	119.4	222.1	—	—
Other	76.3	84.3	37.2	44.1	38.5	40.1
Allowance for doubtful accounts	(10.5)	(12.0)	(3.1)	(1.3)	(7.4)	(10.7)
	<u>\$350.4</u>	<u>\$482.8</u>	<u>\$153.5</u>	<u>\$264.9</u>	<u>\$190.1</u>	<u>\$212.2</u>

NOTE 5(b) Sales of Accounts Receivable - IPL maintains a Receivables Agreement whereby it may sell its customer accounts receivables, unbilled revenues and certain other accounts receivables to a third party through wholly-owned and consolidated special purpose entities. In March 2018, IPL amended and extended through March 2021 the purchase commitment from the third party to which it sells its receivables. IPL pays a monthly fee to the third party that varies based on interest rates, limits on cash proceeds and cash amounts received from the third party. Deferred proceeds represent IPL's interest in the receivables sold to the third party. At IPL's request, deferred proceeds are paid to IPL from collections of receivables, after paying any required expenses incurred by the third party and the collection agent. Corporate Services acts as collection agent for the third party and receives a fee for collection services. The Receivables Agreement can be terminated by the third party if arrears or write-offs exceed certain levels. The transfers of receivables meet the criteria for sale accounting established by the transfer of financial assets accounting rules. IPL believes that the allowance for doubtful accounts related to its sales of receivables is a reasonable approximation of credit risk of the customers that generated the receivables. Refer to Note 16 for discussion of the fair value of deferred proceeds.

Under the Receivables Agreement, IPL has the right to receive cash proceeds, up to a certain limit, from the third party in exchange for the receivables sold. Effective April 2018, the limit on cash proceeds fluctuates between \$90 million and \$110 million. Cash proceeds are used by IPL to meet short-term financing needs, and cannot exceed the current limit or amount of receivables available for sale, whichever is less. As of December 31, 2018, IPL had no available capacity under its sales of accounts receivable program. IPL's maximum and average outstanding aggregate cash proceeds (based on daily outstanding balances) related to the sales of accounts receivable program were as follows (in millions):

	Maximum			Average		
	2018	2017	2016	2018	2017	2016
Outstanding aggregate cash proceeds	\$116.0	\$112.0	\$172.0	\$53.4	\$62.2	\$73.2

As of December 31, the attributes of IPL's receivables sold under the Receivables Agreement were as follows (in millions):

	2018	2017
Customer accounts receivable	\$140.1	\$133.8
Unbilled utility revenues	97.1	112.7
Other receivables	0.1	0.3
Receivables sold to third party	237.3	246.8
Less: cash proceeds	108.0	12.0
Deferred proceeds	129.3	234.8
Less: allowance for doubtful accounts	9.9	12.7
Fair value of deferred proceeds	<u>\$119.4</u>	<u>\$222.1</u>
Outstanding receivables past due	\$35.5	\$44.7

Additional attributes of IPL's receivables sold under the Receivables Agreement were as follows (in millions):

	2018	2017	2016
Collections	\$2,076.7	\$1,647.1	\$1,818.1
Write-offs, net of recoveries	21.3	17.7	4.8

In connection with the implementation of IPL's new customer billing and information system in 2016, IPL postponed the write-off of customer bills for a portion of 2016, resulting in lower write-offs in 2016 compared to 2017 and 2018.

NOTE 6. INVESTMENTS

Unconsolidated Equity Investments - Unconsolidated investments accounted for under the equity method of accounting are as follows (in millions):

	Ownership Interest at December 31, 2018	Carrying Value at December 31,		Equity (Income) / Loss		
		2018	2017	2018	2017	2016
Alliant Energy						
ATC Holdings (a)	16%-20%	\$293.6	\$274.2	(\$38.1)	(\$42.4)	(\$39.1)
Non-utility wind farm in Oklahoma	50%	105.1	98.3	(15.6)	(1.8)	—
Other	Various	22.6	8.9	(0.9)	(0.6)	(0.5)
		<u>\$421.3</u>	<u>\$381.4</u>	<u>(\$54.6)</u>	<u>(\$44.8)</u>	<u>(\$39.6)</u>

- (a) As of December 31, 2018, Alliant Energy's interest in ATC Holdings is comprised of a 16% ownership interest in ATC and a 20% ownership interest in ATC Holdco LLC, which are described below. Alliant Energy currently has the ability to exercise significant influence over ATC's and ATC Holdco LLC's financial and operating policies through its participation on ATC's Board of Directors.

Summary aggregate financial information from the financial statements of these holdings is as follows (in millions):

	Alliant Energy		
	2018	2017	2016
Revenues	\$724	\$741	\$658
Operating income	325	374	331
Net income	217	267	232
As of December 31:			
Current assets	144	104	
Non-current assets	5,498	5,041	
Current liabilities	644	770	
Non-current liabilities	2,315	2,038	
Noncontrolling interest	223	255	

Interest in ATC - Prior to 2014, WPL owned 100% of WPL Transco, which held Alliant Energy's interest in ATC. In 2014, WPL Transco's operating agreement was amended to allow ATI, a wholly-owned subsidiary of AEF, to become a member of WPL Transco in addition to WPL. On December 31, 2016, pursuant to a PSCW order, WPL Transco was liquidated and WPL transferred its interest in ATC to ATI. There were no impacts of this transfer to Alliant Energy's consolidated financial statements. As of December 31, 2016, ATI owns Alliant Energy's entire interest in ATC Holdings.

Interest in ATC Holdco LLC - In 2011, Duke Energy Corporation and ATC announced the creation of Duke-American Transmission Company, LLC, a joint venture that is expected to acquire, build, own and operate new electric transmission infrastructure in North America. In 2017, ATC transferred a portion of its interest in Duke-American Transmission Company, LLC to ATC Holdco LLC, and as a result, Alliant Energy contributed additional equity capital funding based on its ownership interest in ATC Holdco LLC. A portion of the proceeds from the transfer was distributed to all ATC Holdco LLC's owners based on their ATC ownership percentage.

Non-utility Wind Farm in Oklahoma - In July 2017, a wholly-owned subsidiary of AEF acquired 50% of a cash equity ownership interest in a 225 MW non-utility wind farm located in Oklahoma, which started commercial operations in December 2016. The wind farm provides electricity to a third-party under a long-term PPA, and has both cash and tax equity ownership. The equity income recognized in 2018 was primarily related to the impacts of Federal Tax Reform. The liquidation method utilized to recognize Alliant Energy's share of the wind farm's earnings includes utilizing the federal income tax rate in effect as of the end of the measurement period. The lower federal income tax rate effective as of January 1, 2018 resulted in an acceleration of earnings attributable to Alliant Energy's interest in the Oklahoma wind farm. This increase in earnings is expected to reverse over time. Alliant Energy does not maintain or operate the wind farm, and provided a parent guarantee of its subsidiary's indemnification obligations under the operating agreement and PPA. Refer to Note 17(d) for discussion of the guarantee.

NOTE 7. COMMON EQUITY

Common Share Activity - A summary of Alliant Energy's common stock activity was as follows:

	2018	2017	2016
Shares outstanding, January 1	231,348,646	227,673,654	226,918,432
At-the-market offering programs	4,171,013	3,074,931	—
Shareowner Direct Plan issuances	576,965	640,723	732,814
Equity-based compensation plans (Note 13(b))	5,078	5,185	22,408
Other	(38,423)	(45,847)	—
Shares outstanding, December 31	236,063,279	231,348,646	227,673,654

At December 31, 2018, Alliant Energy had a total of 11.2 million shares available for issuance in the aggregate, pursuant to its Amended and Restated OIP, Shareowner Direct Plan and 401(k) Savings Plan.

At-the-Market Offering Programs - In 2018 and 2017, Alliant Energy filed prospectus supplements under which it could sell up to \$175 million and \$125 million of its common stock, respectively, through at-the-market offering programs. In 2018, Alliant Energy issued 4,171,013 shares of common stock through this program and received cash proceeds of \$173 million, net of \$2 million in commissions and fees. In 2017, Alliant Energy issued 3,074,931 shares of common stock through this program and received cash proceeds of \$124 million, net of \$1 million in commissions and fees. The 2017 at-the-market offering program expired in 2018, and Alliant Energy currently has no plans to issue any additional common stock through the 2018 at-the-market offering program.

Shareowner Direct Plan - Alliant Energy satisfies its requirements under the Shareowner Direct Plan (dividend reinvestment and stock purchase plan) by acquiring Alliant Energy common stock through original issue, rather than on the open market.

Equity Forward Agreements - In December 2018, Alliant Energy entered into forward sale agreements with various counterparties in connection with a public offering of 8,358,973 shares of Alliant Energy common stock. In the forward sale transaction, the counterparties, or their affiliates, borrowed an aggregate of 8,358,973 shares of Alliant Energy common stock from third parties and sold such shares to the related underwriters. Alliant Energy has concluded that the forward sale agreements meet the derivative scope exception for certain contracts involving an entity's own equity. Alliant Energy has not yet received any proceeds from the offering and no amounts have been or will be recorded in equity on Alliant Energy's balance sheets until the forward sale agreements settle. Alliant Energy expects to settle the forward sale agreements prior to December 31, 2019 through physical delivery of shares of common stock in exchange for cash proceeds at the then-applicable forward sale price; however, Alliant Energy may elect cash settlement or net share settlement for all or a portion of the obligations under the forward sale agreements. The initial forward sale price of \$44.33 per share, is subject to daily adjustment based on a floating interest rate factor, and will decrease by other fixed amounts specified in the forward sale agreement. Until settlement of the forward sale agreements, Alliant Energy's EPS dilution resulting from the agreements, if any, is determined using the treasury stock method. Share dilution occurs when the average market price of Alliant Energy stock during the reporting period is higher than the forward sale price as of the end of the reporting period. As of December 31, 2018, the securities under the forward sale agreements were excluded from the calculation of diluted EPS as they were antidilutive.

Shareowner Rights Agreement - Alliant Energy previously established an amended and restated Shareowner Rights Agreement. The rights under this agreement were exercisable if a person or group acquired, or announced an intention to acquire, 15% or more of Alliant Energy's outstanding common stock. In January 2018, Alliant Energy's Board of Directors authorized the redemption of the rights, which were redeemed to shareowners as of the close of business on January 31, 2018.

Comprehensive Income (Loss) - In 2018, 2017 and 2016, Alliant Energy's other comprehensive income (loss) was \$2.2 million, (\$0.1) million and \$0 million, respectively; therefore, its comprehensive income was substantially equal to its net income and its comprehensive income attributable to Alliant Energy common shareowners was substantially equal to its net income attributable to Alliant Energy common shareowners for such periods.

NOTE 8. PREFERRED STOCK

IPL is authorized to issue up to 16,000,000 shares of cumulative preferred stock in aggregate. Information related to the carrying value of IPL's cumulative preferred stock at December 31 was as follows:

Series	Liquidation Preference/Stated Value	Shares Authorized	Shares Outstanding	2018	2017
(in millions)					
5.1%	\$25	8,000,000	8,000,000	\$200.0	\$200.0

IPL may, at its option, redeem the 5.1% cumulative preferred stock for cash at a redemption price of \$25 per share plus accrued and unpaid dividends up to the redemption date.

The current articles of incorporation of IPL contain a provision that grants the holders of its cumulative preferred stock voting rights to elect two members of IPL's Board of Directors if preferred dividends equal to six or more quarterly dividend requirements (whether or not consecutive) are in arrears. Such voting rights would not provide the holders of IPL's preferred stock control of the Board of Directors and could not force IPL to redeem its preferred stock.

NOTE 9. DEBT

NOTE 9(a) Short-term Debt - Alliant Energy and its subsidiaries maintain committed bank lines of credit to provide short-term borrowing flexibility and back-stop liquidity for commercial paper outstanding. At December 31, 2018, the short-term borrowing capacity under a single credit facility agreement, which expires in August 2022, totaled \$1 billion (\$400 million for Alliant Energy at the parent company level, \$250 million for IPL and \$350 million for WPL). Subject to certain conditions, Alliant Energy (at the parent company level), IPL and WPL may each reallocate and change its sublimit up to \$500 million, \$400 million and \$500 million, respectively, within the \$1 billion total commitment. Information regarding commercial paper classified as short-term debt and back-stopped by the credit facility was as follows (dollars in millions):

December 31	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Commercial paper outstanding	\$441.2	\$320.2	\$50.4	\$—	\$105.5	\$25.0
Commercial paper weighted average interest rates	2.8%	2.0%	2.8%	N/A	2.5%	1.5%
Available credit facility capacity	\$558.8	\$679.8	\$199.6	\$250.0	\$244.5	\$325.0

For the year ended	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Maximum amount outstanding (based on daily outstanding balances)	\$446.5	\$424.4	\$50.4	\$20.0	\$126.0	\$271.2
Average amount outstanding (based on daily outstanding balances)	\$221.4	\$294.3	\$1.5	\$0.5	\$36.6	\$118.2
Weighted average interest rates	2.2%	1.2%	2.3%	1.3%	2.1%	1.0%

In June 2018, AEF retired its \$95 million, 364-day variable-rate (2.2% at December 31, 2017) term loan credit agreement.

Financial Covenants - The single credit facility agreement contains a financial covenant, which requires Alliant Energy, IPL and WPL to maintain certain debt-to-capital ratios in order to borrow under the credit facility. AEF's term loan credit agreement contains a financial covenant, which requires Alliant Energy to maintain a certain debt-to-capital ratio in order to borrow under the term loan credit agreement. The required debt-to-capital ratios compared to the actual debt-to-capital ratios at December 31, 2018 were as follows:

	Alliant Energy	IPL	WPL
Requirement, not to exceed	65%	65%	65%
Actual	55%	45%	48%

The debt component of the capital ratios includes long- and short-term debt (excluding non-recourse debt and hybrid securities to the extent the total carrying value of such hybrid securities does not exceed 15% of consolidated capital of the applicable borrower), capital lease obligations, certain letters of credit, guarantees of the foregoing and new synthetic leases. Unfunded vested benefits under qualified pension plans and sales of accounts receivable are not included in the debt-to-capital ratios. The equity component of the capital ratios excludes accumulated other comprehensive income (loss).

NOTE 9(b) Long-Term Debt - Long-term debt, net as of December 31 was as follows (dollars in millions):

	2018			2017		
	Alliant Energy	IPL	WPL	Alliant Energy	IPL	WPL
Senior Debentures (a):						
3.65%, due 2020	\$200.0	\$200.0	\$—	\$200.0	\$200.0	\$—
3.25%, due 2024	500.0	500.0	—	500.0	500.0	—
3.4%, due 2025	250.0	250.0	—	250.0	250.0	—
5.5%, due 2025	50.0	50.0	—	50.0	50.0	—
4.1%, due 2028 (b)	500.0	500.0	—	—	—	—
6.45%, due 2033	100.0	100.0	—	100.0	100.0	—
6.3%, due 2034	125.0	125.0	—	125.0	125.0	—
6.25%, due 2039	300.0	300.0	—	300.0	300.0	—
4.7%, due 2043	250.0	250.0	—	250.0	250.0	—
3.7%, due 2046	300.0	300.0	—	300.0	300.0	—
5.875% (Retired in 2018)	—	—	—	100.0	100.0	—
7.25% (Retired in 2018)	—	—	—	250.0	250.0	—
	<u>2,575.0</u>	<u>2,575.0</u>	<u>—</u>	<u>2,425.0</u>	<u>2,425.0</u>	<u>—</u>
Debentures (a):						
5%, due 2019	250.0	—	250.0	250.0	—	250.0
4.6%, due 2020	150.0	—	150.0	150.0	—	150.0
2.25%, due 2022	250.0	—	250.0	250.0	—	250.0
3.05%, due 2027	300.0	—	300.0	300.0	—	300.0
6.25%, due 2034	100.0	—	100.0	100.0	—	100.0
6.375%, due 2037	300.0	—	300.0	300.0	—	300.0
7.6%, due 2038	250.0	—	250.0	250.0	—	250.0
4.1%, due 2044	250.0	—	250.0	250.0	—	250.0
	<u>1,850.0</u>	<u>—</u>	<u>1,850.0</u>	<u>1,850.0</u>	<u>—</u>	<u>1,850.0</u>
Other:						
AEF term loan credit agreement through April 2020, 3% at December 31, 2018 (with Alliant Energy as guarantor) (c)	300.0	—	—	—	—	—
Corporate Services 3.45% senior notes, due 2022 (a)	75.0	—	—	75.0	—	—
AEF 3.75% senior notes, due 2023 (with Alliant Energy as guarantor) (a)(d)	400.0	—	—	—	—	—
AEF 4.25% senior notes, due 2028 (with Alliant Energy as guarantor) (a)(d)	300.0	—	—	—	—	—
Sheboygan Power, LLC 5.06% senior secured notes, due 2019 to 2024 (secured by the Sheboygan Falls Energy Facility and related assets) (a)	44.3	—	—	49.6	—	—
AEF term loan credit agreement, 2% at December 31, 2017 (with Alliant Energy as guarantor) (Retired in 2018) (d)	—	—	—	500.0	—	—
Other, 1% at December 31, 2018, due 2019 to 2025	2.4	—	—	2.9	—	—
	<u>1,121.7</u>	<u>—</u>	<u>—</u>	<u>627.5</u>	<u>—</u>	<u>—</u>
Subtotal	<u>5,546.7</u>	<u>2,575.0</u>	<u>1,850.0</u>	<u>4,902.5</u>	<u>2,425.0</u>	<u>1,850.0</u>
Current maturities	(256.5)	—	(250.0)	(855.7)	(350.0)	—
Unamortized debt issuance costs	(32.1)	(17.2)	(9.6)	(25.4)	(14.3)	(10.5)
Unamortized debt (discount) and premium, net	(11.8)	(5.5)	(5.5)	(10.8)	(4.7)	(6.1)
Long-term debt, net (e)	<u>\$5,246.3</u>	<u>\$2,552.3</u>	<u>\$1,584.9</u>	<u>\$4,010.6</u>	<u>\$2,056.0</u>	<u>\$1,833.4</u>

- (a) Contains optional redemption provisions which, if elected by the issuer at its sole discretion, could require material redemption premium payments by the issuer. The redemption premium payments under these optional redemption provisions are variable and dependent on applicable U.S. Treasury rates at the time of redemption.
- (b) In September 2018, IPL issued \$500 million of 4.1% senior debentures due 2028. The senior debentures were issued as green bonds, and all of the net proceeds were allocated for the construction and development of wind and solar projects.
- (c) In April 2018, AEF entered into a \$300 million variable-rate term loan credit agreement and used the proceeds from borrowings under this agreement for general corporate purposes. Refer to Note 9(a) for discussion of a financial covenant contained in AEF's term loan credit agreement.
- (d) In June 2018, AEF issued \$400 million of 3.75% senior notes due 2023 and \$300 million of 4.25% senior notes due 2028. The proceeds from the issuances were used by AEF to retire its \$500 million and \$95 million variable-rate term loan credit agreements expiring in 2018, to reduce Alliant Energy's outstanding commercial paper and for general corporate purposes.
- (e) There were no significant sinking fund requirements related to the outstanding long-term debt.

Five-Year Schedule of Long-term Debt Maturities - At December 31, 2018, long-term debt maturities for 2019 through 2023 were as follows (in millions):

	2019	2020	2021	2022	2023
IPL	\$—	\$200	\$—	\$—	\$—
WPL	250	150	—	250	—
Corporate Services	—	—	—	75	—
AEF	6	307	8	8	408
Alliant Energy	<u>\$256</u>	<u>\$657</u>	<u>\$8</u>	<u>\$333</u>	<u>\$408</u>

Fair Value of Long-term Debt - Refer to Note 16 for information on the fair value of long-term debt outstanding.

NOTE 10. OPERATING LEASES

Various agreements have been entered into related to property, plant and equipment rights that are accounted for as operating leases. In 2018, 2017 and 2016, rental expenses associated with operating leases were not material. At December 31, 2018, future minimum operating lease payments, excluding contingent rentals, were as follows (in millions):

	2019	2020	2021	2022	2023	Thereafter	Total
Alliant Energy	\$5	\$5	\$3	\$3	\$2	\$12	\$30
IPL	3	2	2	2	2	12	23
WPL	2	3	1	—	—	—	6

NOTE 11. REVENUES

Revenues from Alliant Energy's, IPL's and WPL's utility businesses are primarily from electric and gas sales provided to customers based on approved tariffs or specific contracts with customers. IPL's and WPL's primary performance obligations under such arrangements are to deliver electricity and gas, and their customers simultaneously receive and consume the electricity and gas. For such arrangements, revenues are recognized equivalent to the value of the electricity or gas supplied during each period, including amounts billed during each period and changes in amounts estimated to be billed at the end of each period. IPL and WPL apply the right to invoice method to measure progress towards completing performance obligations to transfer electricity and gas to their customers.

IPL provides retail electric and gas service to customers in Iowa, and WPL provides retail and wholesale electric and retail gas service to customers in Wisconsin. IPL also sells electricity to wholesale customers in Minnesota, Illinois and Iowa, as well as steam from its Prairie Creek Generating Station to high-pressure steam customers in Iowa.

IPL's and WPL's retail electric and gas revenues include sales to residential, commercial and industrial customers. IPL's and WPL's retail electric and gas customer prices are based on IPL's and WPL's cost of service and are determined through general rate review proceedings and various tariff filings with the IUB and PSCW, respectively. Such tariff-based services provide electricity or gas to customers without a defined contractual term.

IPL and WPL have wholesale electric market-based rate authority from FERC allowing them to participate in wholesale energy markets (e.g. MISO) and transact directly with third parties. This authority from FERC allows sales of electricity referred to as bulk power sales based on current market values. FERC also allows IPL and WPL to enter into power supply agreements with municipalities and rural electric cooperatives with defined contractual terms, which include standard pricing mechanisms that are detailed in current tariffs accepted by FERC through wholesale rate review proceedings.

Revenues from Alliant Energy's non-utility business customers are primarily from its Transportation business, which includes a short-line railway that provides freight service, hauling services on the Mississippi River, and other transfer and storage services.

As of December 31, 2018, revenue expected to be recognized in any future year related to remaining performance obligations is not material, as the majority of revenues are recognized as services are rendered or commodities are delivered, and are from contracts with durations of less than one year. Alliant Energy, IPL and WPL do not have any material contract assets or contract liabilities, or contract acquisition fulfillment costs.

Disaggregation of revenues from contracts with customers, which correlates to revenues for each reportable segment, was as follows (in millions):

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Electric Utility:									
Retail - residential	\$1,063.4	\$1,006.2	\$1,001.1	\$590.6	\$535.6	\$536.7	\$472.8	\$470.6	\$464.4
Retail - commercial	735.6	710.3	712.6	486.8	452.7	445.4	248.8	257.6	267.2
Retail - industrial	888.8	853.1	851.1	500.8	459.7	460.4	388.0	393.4	390.7
Wholesale	188.4	238.4	256.6	71.2	95.5	94.2	117.2	142.9	162.4
Bulk power and other	124.1	86.7	54.1	81.7	55.4	33.0	42.4	31.3	21.1
Total Electric Utility	3,000.3	2,894.7	2,875.5	1,731.1	1,598.9	1,569.7	1,269.2	1,295.8	1,305.8
Gas Utility:									
Retail - residential	254.4	224.7	197.6	152.3	123.2	110.6	102.1	101.5	87.0
Retail - commercial	133.0	123.2	109.6	75.9	67.9	61.9	57.1	55.3	47.7
Retail - industrial	14.9	16.7	15.2	10.2	11.1	10.6	4.7	5.6	4.6
Transportation/other	44.3	36.3	33.0	27.8	23.8	20.9	16.5	12.5	12.1
Total Gas Utility	446.6	400.9	355.4	266.2	226.0	204.0	180.4	174.9	151.4
Other Utility:									
Steam	35.2	34.6	33.9	35.2	34.6	33.9	—	—	—
Other utility	12.8	12.9	14.7	9.8	10.8	12.8	3.0	2.1	1.9
Total Other Utility	48.0	47.5	48.6	45.0	45.4	46.7	3.0	2.1	1.9
Non-Utility and Other:									
Transportation and other	39.6	39.1	40.5	—	—	—	—	—	—
Total Non-Utility and Other	39.6	39.1	40.5	—	—	—	—	—	—
Total revenues	\$3,534.5	\$3,382.2	\$3,320.0	\$2,042.3	\$1,870.3	\$1,820.4	\$1,452.6	\$1,472.8	\$1,459.1

NOTE 12. INCOME TAXES

Federal Tax Reform Adjustments - In December 2017, Federal Tax Reform was enacted, which had a material impact on Alliant Energy's 2017 financial statements since changes in tax laws must be recognized in the period in which the law is enacted. The most significant provision of Federal Tax Reform that impacts Alliant Energy, IPL and WPL was the reduction in the federal corporate tax rate from 35% to 21%. As a result of Federal Tax Reform, at December 31, 2017, Alliant Energy's regulated utility operations in IPL and WPL recorded the net impacts from re-measuring deferred tax assets and liabilities as a change in regulatory liabilities or regulatory assets. Alliant Energy's non-utility operations recorded the net change in deferred tax assets and liabilities to "Income taxes" in the income statement or as an increase to "Other liabilities" or decrease in "ATC Holdings" on the balance sheet. As a result of Federal Tax Reform, Alliant Energy recorded tax benefits of \$18.1 million in the 2017 income statement.

In 2018, additional rules were issued related to Federal Tax Reform, including clarifications of the treatment of bonus depreciation deductions, which impacted the federal income tax return for the calendar year 2017. As result of these clarifying rules, Alliant Energy recorded tax benefits of \$5.6 million in 2018.

Iowa Tax Reform - In May 2018, Iowa tax reform was enacted, resulting in a reduction in the Iowa income tax rate from 12% to 9.8%, effective January 1, 2021 and the elimination of the deduction for federal income taxes, effective January 1, 2022. Alliant Energy's and IPL's deferred tax assets and liabilities as of June 30, 2018 were remeasured based upon the new tax rate, and as a result, Alliant Energy's and IPL's tax-related regulatory assets decreased \$33.7 million and tax-related regulatory liabilities increased \$7.3 million in the second quarter of 2018.

Income Tax Expense (Benefit) - The components of “Income tax expense (benefit)” in the income statements were as follows (in millions):

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Current tax expense (benefit):									
Federal	(\$1.0)	(\$41.0)	\$1.8	\$14.9	(\$27.9)	(\$12.8)	(\$9.2)	\$5.5	(\$22.3)
State	(5.1)	8.5	17.2	(7.1)	1.6	15.5	(4.4)	2.5	1.1
IPL’s tax benefit riders	(13.2)	(40.4)	(44.2)	(13.2)	(40.4)	(44.2)	—	—	—
Deferred tax expense (benefit):									
Federal	67.9	159.5	112.8	9.5	72.5	59.1	43.8	55.0	112.3
State	29.8	12.3	4.9	7.3	(2.2)	(9.0)	22.1	16.6	20.8
Production tax credits	(29.5)	(31.1)	(31.8)	(14.0)	(14.1)	(14.0)	(15.5)	(17.0)	(17.8)
Investment tax credits	(1.2)	(1.1)	(1.3)	(0.6)	(0.4)	(0.5)	(0.6)	(0.7)	(0.8)
	<u>\$47.7</u>	<u>\$66.7</u>	<u>\$59.4</u>	<u>(\$3.2)</u>	<u>(\$10.9)</u>	<u>(\$5.9)</u>	<u>\$36.2</u>	<u>\$61.9</u>	<u>\$93.3</u>

Income Tax Rates - The overall income tax rates shown in the following table were computed by dividing income tax expense (benefit) by income from continuing operations before income taxes.

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Statutory federal income tax rate	21.0%	35.0%	35.0%	21.0%	35.0%	35.0%	21.0%	35.0%	35.0%
State income taxes, net of federal benefits	7.0	5.5	5.4	7.7	6.5	6.4	6.2	5.1	5.1
Effect of rate-making on property-related differences	(7.6)	(8.5)	(8.5)	(14.0)	(19.1)	(16.2)	(2.3)	(1.7)	(0.7)
Production tax credits	(5.2)	(6.1)	(7.2)	(5.2)	(6.7)	(6.3)	(6.4)	(7.1)	(6.2)
IPL’s tax benefit riders	(2.3)	(7.6)	(10.0)	(4.9)	(18.7)	(20.1)	—	—	—
Adjustment for prior period taxes	(2.3)	(1.5)	(0.8)	(4.8)	(3.4)	(1.2)	(0.2)	—	(0.1)
Federal Tax Reform adjustments	(1.0)	(3.4)	—	(0.4)	1.7	—	(2.3)	(5.8)	—
Other items, net	(1.2)	(0.9)	(0.5)	(0.6)	(0.3)	(0.3)	(1.2)	(0.6)	(0.5)
Overall income tax rate	<u>8.4%</u>	<u>12.5%</u>	<u>13.4%</u>	<u>(1.2%)</u>	<u>(5.0%)</u>	<u>(2.7%)</u>	<u>14.8%</u>	<u>24.9%</u>	<u>32.6%</u>

Deferred Tax Assets and Liabilities - The deferred tax assets and liabilities included on the balance sheets at December 31 arise from the following temporary differences (in millions):

	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Deferred tax liabilities:						
Property	\$1,975.5	\$1,852.7	\$1,158.4	\$1,102.6	\$735.2	\$674.2
ATC Holdings	102.4	86.4	—	—	—	—
Other	80.5	75.9	69.4	63.4	34.4	36.5
Total deferred tax liabilities	<u>2,158.4</u>	<u>2,015.0</u>	<u>1,227.8</u>	<u>1,166.0</u>	<u>769.6</u>	<u>710.7</u>
Deferred tax assets:						
Federal credit carryforwards	299.1	260.7	133.2	113.1	147.4	131.0
Net operating losses carryforwards - federal	158.6	174.4	114.1	107.4	26.4	43.7
Net operating losses carryforwards - state	47.0	41.3	0.9	0.9	0.5	0.2
Other	59.8	69.2	22.8	34.5	14.1	14.7
Subtotal deferred tax assets	<u>564.5</u>	<u>545.6</u>	<u>271.0</u>	<u>255.9</u>	<u>188.4</u>	<u>189.6</u>
Valuation allowances	(9.2)	(9.0)	(0.5)	(0.6)	(0.8)	(1.3)
Total deferred tax assets	<u>555.3</u>	<u>536.6</u>	<u>270.5</u>	<u>255.3</u>	<u>187.6</u>	<u>188.3</u>
Total deferred tax liabilities, net	<u>\$1,603.1</u>	<u>\$1,478.4</u>	<u>\$957.3</u>	<u>\$910.7</u>	<u>\$582.0</u>	<u>\$522.4</u>

Carryforwards - At December 31, 2018, carryforwards and expiration dates were estimated as follows (in millions):

	Range of Expiration Dates	Alliant Energy	IPL	WPL
Federal net operating losses	2031-2037	\$766	\$551	\$126
State net operating losses	2018-2038	792	13	8
Federal tax credits	2022-2038	299	133	147

Valuation Allowances - Due to the anticipated future reductions in revenues from utility customers due to Federal Tax Reform, Alliant Energy expects its Federal net operating losses carryforwards will not be fully utilized until 2024. Because taxable income must be reduced by net operating losses carryforwards prior to utilizing federal tax credit carryforwards, Alliant Energy currently does not expect to utilize 2002 and 2003 vintage federal credit carryforwards prior to their expiration in 2022 and 2023, respectively. As a result, Alliant Energy established valuation allowances for the 2002 and 2003 vintage federal credit carryforwards in 2017 that remain as of December 31, 2018.

Uncertain Tax Positions - At December 31, 2018, 2017 and 2016, there were no uncertain tax positions or penalties accrued related to uncertain tax positions. As of December 31, 2018, no material changes to unrecognized tax benefits are expected during the next 12 months.

Open tax years - Tax years that remain subject to the statute of limitations in the major jurisdictions for each of Alliant Energy, IPL and WPL are as follows:

Consolidated federal income tax returns (a)	2015 - 2017
Consolidated Iowa income tax returns (b)	2015 - 2017
Wisconsin combined tax returns (c)	2014 - 2017

- (a) These federal tax returns are effectively settled as a result of participation in the IRS Compliance Assurance Program, which allows Alliant Energy and the IRS to work together to resolve issues related to Alliant Energy's current tax year before filing its federal income tax return. The statute of limitations for these federal tax returns expires three years from each filing date.
- (b) The statute of limitations for these Iowa tax returns expires three years from each filing date.
- (c) The statute of limitations for these Wisconsin combined tax returns expires four years from each filing date.

NOTE 13. BENEFIT PLANS

NOTE 13(a) Pension and Other Postretirement Benefits Plans - Retirement benefits are provided to substantially all employees through various qualified and non-qualified non-contributory defined benefit pension plans (currently closed to new hires), and/or through defined contribution plans (including 401(k) savings plans). Benefits of the non-contributory defined benefit pension plans are based on the plan participant's years of service, age and compensation. Benefits of the defined contribution plans are based on the plan participant's years of service, age, compensation and contributions. Certain defined benefit postretirement health care and life benefits are provided to eligible retirees. In general, the retiree health care plans consist of fixed benefit subsidy structures and the retiree life insurance plans are non-contributory.

Assumptions - The assumptions for defined benefit pension and OPEB plans at the measurement date of December 31 were as follows:

Alliant Energy	Defined Benefit Pension Plans			OPEB Plans		
	2018	2017	2016	2018	2017	2016
Discount rate for benefit obligations	4.34%	3.66%	4.19%	4.24%	3.53%	3.98%
Discount rate for net periodic cost	3.66%	4.19%	4.47%	3.53%	3.98%	4.30%
Expected rate of return on plan assets	7.60%	7.60%	7.60%	5.44%	5.80%	6.30%
Interest crediting rate for Alliant Energy Cash Balance Pension Plan	5.04%	4.64%	3.17%	N/A	N/A	N/A
Rate of compensation increase	3.65% - 4.50%	3.65% - 4.50%	3.65% - 4.50%	N/A	N/A	N/A
Medical cost trend on covered charges:						
Initial trend rate (end of year)	N/A	N/A	N/A	6.50%	6.75%	7.00%
Ultimate trend rate	N/A	N/A	N/A	5.00%	5.00%	5.00%

Expected rate of return on plan assets - The expected rate of return on plan assets is based on projected asset class returns using target allocations. A forward-looking building blocks approach is used, and historical returns, survey information and capital market information are analyzed to support the expected rate of return on plan assets assumption. Refer to "Investment Strategy for Plan Assets" below for additional information related to investment strategy and mix of assets for the pension and OPEB plans.

Life Expectancy - The life expectancy assumption is used in determining the benefit obligation and net periodic benefit cost for defined benefit pension and OPEB plans. This assumption utilizes base mortality tables that were released in 2014 by the Society of Actuaries, and was updated in 2016 and 2018.

Net Periodic Benefit Costs - The components of net periodic benefit costs for sponsored defined benefit pension and OPEB plans are included in the table below (in millions). The service cost component of net periodic benefit costs is included in “Other operation and maintenance” expenses in the income statements and all other components of net periodic benefit costs are included in “Other (income) and deductions” in the income statements.

Alliant Energy	Defined Benefit Pension Plans			OPEB Plans		
	2018	2017	2016	2018	2017	2016
Service cost	\$12.1	\$12.5	\$12.6	\$4.2	\$5.0	\$5.3
Interest cost	46.8	51.0	53.0	7.7	8.6	9.4
Expected return on plan assets (a)	(69.7)	(65.5)	(65.5)	(6.0)	(6.1)	(6.1)
Amortization of prior service credit (b)	(0.7)	(0.4)	(0.3)	(0.2)	(0.2)	(4.1)
Amortization of actuarial loss (c)	35.2	37.6	37.4	3.4	3.8	4.7
Settlement losses (d)	—	0.9	—	—	—	—
	\$23.7	\$36.1	\$37.2	\$9.1	\$11.1	\$9.2

- (a) The expected return on plan assets is based on the expected rate of return on plan assets and the fair value approach to the market-related value of plan assets.
- (b) Unrecognized prior service costs (credits) for the OPEB plans are amortized over the average future service period to full eligibility of the participants of each plan.
- (c) Unrecognized net actuarial gains or losses in excess of 10% of the greater of the plans’ benefit obligations or assets are amortized over the average future service lives of plan participants, except for the Alliant Energy Cash Balance Pension Plan where gains or losses outside the 10% threshold are amortized over the time period the participants are expected to receive benefits.
- (d) Settlement losses related to payments made to retired executives of Alliant Energy.

Benefit Plan Assets and Obligations - A reconciliation of the funded status of qualified and non-qualified defined benefit pension and OPEB plans to the amounts recognized on the balance sheets at December 31 was as follows (in millions):

Alliant Energy	Defined Benefit Pension Plans		OPEB Plans	
	2018	2017	2018	2017
Change in benefit obligation:				
Net benefit obligation at January 1	\$1,303.1	\$1,244.3	\$222.3	\$220.1
Service cost	12.1	12.5	4.2	5.0
Interest cost	46.8	51.0	7.7	8.6
Plan participants’ contributions	—	—	3.1	2.9
Actuarial (gain) loss	(96.2)	83.6	(8.2)	5.4
Gross benefits paid	(90.8)	(88.3)	(23.0)	(19.7)
Net benefit obligation at December 31	1,175.0	1,303.1	206.1	222.3
Change in plan assets:				
Fair value of plan assets at January 1	950.7	895.7	111.1	105.8
Actual return on plan assets	(57.8)	136.7	(2.6)	12.9
Employer contributions	6.5	6.6	10.5	9.2
Plan participants’ contributions	—	—	3.1	2.9
Gross benefits paid	(90.8)	(88.3)	(23.0)	(19.7)
Fair value of plan assets at December 31	808.6	950.7	99.1	111.1
Under funded status at December 31	(\$366.4)	(\$352.4)	(\$107.0)	(\$111.2)

Alliant Energy	Defined Benefit Pension Plans		OPEB Plans	
	2018	2017	2018	2017
Amounts recognized on the balance sheets consist of:				
Non-current assets	\$—	\$—	\$7.5	\$8.8
Current liabilities	(2.3)	(2.2)	(9.6)	(9.1)
Pension and other benefit obligations	(364.1)	(350.2)	(104.9)	(110.9)
Net amounts recognized at December 31	(\$366.4)	(\$352.4)	(\$107.0)	(\$111.2)
Amounts recognized in Regulatory Assets consist of:				
Net actuarial loss	\$505.2	\$509.1	\$44.5	\$47.4
Prior service credit	(5.8)	(6.5)	(1.1)	(1.3)
	\$499.4	\$502.6	\$43.4	\$46.1

Actuarial gains related to benefit obligations in 2018 for defined benefit pension and OPEB plans were primarily due to increases in the discount rates and the impact of the updated mortality table, partially offset by experience losses. Actuarial losses related to benefit obligations in 2017 for defined benefit pension and OPEB plans were primarily due to decreases in the discount rates.

Included in the following table are accumulated benefit obligations, aggregate amounts applicable to defined benefit pension and OPEB plans with accumulated benefit obligations in excess of plan assets, as well as defined benefit pension plans with projected benefit obligations in excess of plan assets as of the December 31 measurement date (in millions):

Alliant Energy	Defined Benefit Pension Plans		OPEB Plans	
	2018	2017	2018	2017
Accumulated benefit obligations	\$1,139.9	\$1,269.0	\$206.1	\$222.3
Plans with accumulated benefit obligations in excess of plan assets:				
Accumulated benefit obligations	1,139.9	1,269.0	206.1	222.3
Fair value of plan assets	808.6	950.7	99.1	111.1
Plans with projected benefit obligations in excess of plan assets:				
Projected benefit obligations	1,175.0	1,303.1	N/A	N/A
Fair value of plan assets	808.6	950.7	N/A	N/A

Estimated Future Employer Contributions and Benefit Payments - Estimated funding for the qualified and non-qualified defined benefit pension and OPEB plans for 2019 is as follows (in millions):

	Alliant Energy
Defined benefit pension plans	\$33.8
OPEB plans	9.6

Expected benefit payments for the qualified and non-qualified defined benefit plans, which reflect expected future service, as appropriate, are as follows (in millions):

Alliant Energy	2019	2020	2021	2022	2023	2024 - 2028
Defined benefit pension benefits	\$71.7	\$86.1	\$74.7	\$76.3	\$77.8	\$388.3
OPEB	19.3	18.1	17.8	17.5	17.0	77.7
	<u>\$91.0</u>	<u>\$104.2</u>	<u>\$92.5</u>	<u>\$93.8</u>	<u>\$94.8</u>	<u>\$466.0</u>

Investment Strategy for Plan Assets - Investment strategies for defined benefit pension and OPEB plan assets combine preservation of principal and prudent risk-taking to protect the integrity of plan assets, in order to meet the obligations to plan participants while minimizing benefit costs over the long term. Investment risk of plan assets is mitigated through diversification, including broad U.S. equity, international equity and fixed income exposure, and global asset and risk parity strategies. Global asset and risk parity strategies may include investments in global equity, global debt, commodities and currencies.

Defined Benefit Pension Plan Assets - The asset mix of defined benefit pension plans is governed by allocation targets. Historical performance results and future expectations suggest that equity securities will provide higher total investment returns than fixed income securities over a long-term investment horizon. Consistent with the goals of meeting obligations to plan participants and minimizing benefit costs over the long-term, the defined benefit pension plans have a long-term investment posture more heavily weighted toward equity holdings. The asset allocation is monitored regularly and appropriate steps are taken as needed to rebalance the assets within the prescribed ranges. An overlay management service is also used to help maintain target allocations and meet liquidity needs. The overlay manager is authorized to use derivative financial instruments to facilitate this service. For separately managed accounts, prohibited investments include, but are not limited to, direct ownership of real estate, oil and gas limited partnerships, securities of the managers' firms or affiliate firms, and Alliant Energy securities.

At December 31, 2018, the current target ranges and actual allocations for the defined benefit pension plan assets were as follows:

	Target Range Allocation	Actual Allocation
Cash and equivalents	0% - 5%	4%
Equity securities - U.S.	11% - 41%	25%
Equity securities - international	14% - 34%	22%
Global asset securities	5% - 15%	9%
Risk parity securities	5% - 15%	10%
Fixed income securities	20% - 40%	30%

Other Postretirement Benefits Plan Assets - OPEB plan assets are comprised of specific assets within certain defined benefit pension plans (401(h) assets) as well as assets held in VEBA trusts. The investment strategy of the Corporate Services 401(h) assets mirrors those of the defined benefit pension plans, which are discussed above. For VEBA trusts with assets greater than \$5 million and the WPL 401(h) assets, the mix among asset classes is governed by allocation targets. The asset allocation is monitored regularly and appropriate steps are taken as needed to rebalance the assets within the prescribed ranges. At December 31, 2018, the current target ranges and actual allocations for VEBA trusts with assets greater than \$5 million and the WPL 401(h) assets were as follows:

	Target Range Allocation	Actual Allocation
Cash and equivalents	0% - 5%	1%
Equity securities - U.S.	0% - 46%	24%
Equity securities - international	0% - 34%	2%
Fixed income securities	20% - 100%	73%

Fair Value Measurements - Fair value measurement accounting establishes three levels of fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value. Refer to Note 16 for discussion of levels within the fair value hierarchy. Level 1 items include investments in securities held in registered investment companies, treasury bills and directly held equity securities, which are valued at the closing price reported in the active market in which the securities are traded. Level 2 items include fixed income securities consisting of corporate and government bonds, which are valued at the closing price reported in the active market for similar assets in which the individual securities are traded or based on yields currently available on comparable securities of issuers with similar credit ratings. Certain investments that are measured at fair value using the net asset value practical expedient have not been classified in the fair value hierarchy. These fair value amounts are included in the tables below to reconcile the fair value hierarchy to the respective total plan assets.

At December 31, the fair values of qualified and non-qualified defined benefit pension plan assets were as follows (in millions):

	2018				2017			
Alliant Energy	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Cash and equivalents	\$36.4	\$3.0	\$33.4	\$—	\$28.2	\$4.5	\$23.7	\$—
Equity securities - U.S.	130.2	130.2	—	—	158.3	158.3	—	—
Equity securities - international	116.0	116.0	—	—	137.5	137.5	—	—
Global asset securities	42.1	42.1	—	—	49.4	49.4	—	—
Fixed income securities	127.8	52.5	75.3	—	135.9	55.8	80.1	—
Total assets in fair value hierarchy	452.5	\$343.8	\$108.7	\$—	509.3	\$405.5	\$103.8	\$—
Assets measured at net asset value	355.4				441.1			
Accrued investment income	1.2				1.0			
Due to brokers, net (pending trades with brokers)	(0.5)				(0.7)			
Total pension plan assets	\$808.6				\$950.7			

At December 31, the fair values of OPEB plan assets were as follows (in millions):

	2018				2017			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Alliant Energy								
Cash and equivalents	\$1.4	\$1.1	\$0.3	\$—	\$1.2	\$0.7	\$0.5	\$—
Equity securities - U.S.	3.9	3.9	—	—	27.9	27.9	—	—
Equity securities - international	2.9	2.9	—	—	11.4	11.4	—	—
Global asset securities	0.4	0.4	—	—	0.4	0.4	—	—
Fixed income securities	68.2	67.5	0.7	—	66.6	66.0	0.6	—
Total assets in fair value hierarchy	76.8	\$75.8	\$1.0	\$—	107.5	\$106.4	\$1.1	\$—
Assets measured at net asset value	22.3				3.6			
Total OPEB plan assets	\$99.1				\$111.1			

For the various defined benefit pension and OPEB plans, Alliant Energy common stock represented less than 1% of assets directly held in the plans at December 31, 2018 and 2017.

401(k) Savings Plans - A significant number of employees participate in defined contribution retirement plans (401(k) savings plans). Alliant Energy common stock directly held by participants represented 11.5% and 11.5% of total assets in the 401(k) savings plans at December 31, 2018 and 2017, respectively. Costs related to the 401(k) savings plans, which are partially based on the participants' contributions and include allocated costs associated with Corporate Services employees for IPL and WPL, were as follows (in millions):

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
401(k) costs	\$25.1	\$24.8	\$23.6	\$13.0	\$12.8	\$12.0	\$11.2	\$11.1	\$10.7

NOTE 13(b) Equity-based Compensation Plans - In 2015, Alliant Energy's shareowners approved the Amended and Restated OIP, which permits the grant of shares of Alliant Energy common stock, restricted stock, restricted stock units, performance shares, performance units, and other stock-based or cash-based awards to key employees. At December 31, 2018, performance shares and restricted stock units (performance- and time-vesting) were outstanding under the Amended and Restated OIP, and 6.8 million shares of Alliant Energy's common stock remained available for grants under the Amended and Restated OIP. Alliant Energy satisfies share payouts related to equity awards under the Amended and Restated OIP through the issuance of new shares of its common stock. Alliant Energy also has the DLIP, which permits the grant of cash-based long-term awards, including performance units, restricted cash awards and restricted units, to certain key employees. At December 31, 2018, performance units and restricted units (performance- and time-vesting) were outstanding under the DLIP, and the amount of nonvested restricted units was not material. There is no limit to the number of grants that can be made under the DLIP and Alliant Energy satisfies all payouts under the DLIP through cash payments. Nonvested awards generally do not have non-forfeitable rights to dividends or dividend equivalents when dividends are paid to common shareowners. A summary of compensation expense, including amounts allocated to IPL and WPL, and the related income tax benefits recognized for share-based compensation awards was as follows (in millions):

	Alliant Energy			IPL			WPL		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Compensation expense	\$17.0	\$15.1	\$18.0	\$9.4	\$8.3	\$9.5	\$6.9	\$6.4	\$7.9
Income tax benefits	4.9	6.2	7.4	2.8	3.4	4.0	1.9	2.6	3.2

As of December 31, 2018, Alliant Energy's, IPL's and WPL's total unrecognized compensation cost related to share-based compensation awards was \$4.9 million, \$2.7 million and \$2.1 million, respectively, which is expected to be recognized over a weighted average period of between one and two years. Share-based compensation expense is recognized on a straight-line basis over the requisite service periods and is primarily recorded in "Other operation and maintenance" in the income statements.

Performance Shares and Performance Units - Payouts of performance shares under the Amended and Restated OIP and performance units under the DLIP to key employees are contingent upon achievement over three-year periods of specified performance criteria, which currently include metrics of total shareowner return relative to an investor-owned utility peer group. Performance shares can be paid out in shares of Alliant Energy's common stock, cash or a combination of cash and stock. Performance units must be paid out in cash. Alliant Energy assumes it will make future payouts of its performance shares and performance units in cash; therefore, performance shares and performance units are accounted for as liability

awards. A summary of the performance shares and performance units activity, with amounts representing the target number of awards, was as follows:

	Performance Shares			Performance Units		
	2018	2017	2016	2018	2017	2016
Nonvested awards, January 1	223,511	257,599	288,430	71,737	93,320	116,412
Granted	74,163	65,350	68,585	19,840	21,558	23,918
Vested	(90,806)	(99,438)	(98,186)	(31,910)	(37,395)	(42,760)
Forfeited	(3,680)	—	(1,230)	(1,906)	(5,746)	(4,250)
Nonvested awards, December 31	203,188	223,511	257,599	57,761	71,737	93,320

Granted Awards - Each performance share's and performance unit's value is based on the closing market price of one share of Alliant Energy's common stock at the end of the performance period. The actual payout for performance shares and performance units is dependent upon actual performance and may range from zero to 200% of the target number of awards. Compensation expense for performance shares and performance units is recorded ratably over the performance period based on the fair value of the awards at each reporting period.

Vested Awards - Certain performance shares and performance units vested, resulting in payouts (a combination of cash and common stock for the performance shares and cash only for the performance units) as follows:

	Performance Shares			Performance Units		
	2018	2017	2016	2018	2017	2016
	2015 Grant	2014 Grant	2013 Grant	2015 Grant	2014 Grant	2013 Grant
Performance awards vested	90,806	99,438	98,186	31,910	37,395	42,760
Percentage of target number of performance awards	137.5%	147.5%	165.0%	137.5%	147.5%	165.0%
Aggregate payout value (in millions)	\$5.3	\$5.6	\$5.1	\$1.4	\$1.5	\$1.7
Payout - cash (in millions)	\$4.9	\$5.1	\$2.9	\$1.4	\$1.5	\$1.7
Payout - common stock shares issued	5,078	5,185	22,408	N/A	N/A	N/A

Fair Value of Awards - At December 31, 2018, Alliant Energy's common stock closing price was \$42.25. Additional information related to fair values of nonvested performance shares and performance units at December 31, 2018, by year of grant, was as follows:

	Performance Shares			Performance Units		
	2018 Grant	2017 Grant	2016 Grant	2018 Grant	2017 Grant	2016 Grant
Nonvested awards at target	70,483	65,350	67,355	19,196	18,062	20,503
Estimated payout percentage based on performance criteria	85%	85%	143%	85%	85%	143%
Fair values of each nonvested award	\$35.91	\$35.91	\$60.42	\$35.91	\$35.91	\$60.42

Performance Restricted Stock Units - Payouts of performance restricted stock units under the Amended and Restated OIP are based on the achievement of certain performance targets (currently specified growth of consolidated net income from continuing operations) during a three-year performance period. The actual number of units that will be paid out upon vesting is dependent upon actual performance and may range from zero to 200% of the target number of units. If performance targets are not met during the performance period, these units are forfeited. Performance restricted stock units generally must be paid out in shares and are accounted for as equity awards. Each performance restricted stock unit's value is based on the closing market price of one share of Alliant Energy's common stock on the grant date of the award. Compensation expense is recorded ratably over the performance period based on a probability assessment of payouts for the awards at each reporting period. A summary of the performance restricted stock units activity, with amounts representing the target number of units, was as follows:

	2018		2017		2016	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Nonvested units, January 1	132,705	\$36.50	67,355	\$33.96	—	\$—
Granted	74,163	38.60	65,350	39.12	68,585	33.96
Forfeited	(3,680)	38.60	—	—	(1,230)	33.90
Nonvested units, December 31	203,188	37.23	132,705	36.50	67,355	33.96

Restricted Stock Units - Payouts of restricted stock units under the Amended and Restated OIP are based on the expiration of a three-year time-vesting period. Each restricted stock unit's value is based on the closing market price of one share of Alliant Energy's common stock at the end of the time-vesting period. Compensation expense is recorded ratably over the performance period based on the fair value of the awards at each reporting period. Restricted stock units can be paid out in shares of Alliant Energy common stock, cash or a combination of cash and stock. Alliant Energy assumes it will make future payouts of its restricted stock units in cash; therefore, restricted stock units are accounted for as liability awards. A summary of the restricted stock units activity was as follows:

	2018	2017	2016
Nonvested units, January 1	113,749	57,736	—
Granted	63,568	56,013	58,790
Forfeited	(3,154)	—	(1,054)
Nonvested units, December 31	174,163	113,749	57,736

NOTE 13(c) Deferred Compensation Plan - Alliant Energy maintains a DCP under which key employees may defer up to 100% of base salary and short-term cash incentive compensation and directors may elect to defer all or part of their retainer and committee fees. Key employees who have made the maximum allowed contribution to the Alliant Energy 401(k) Savings Plan may receive an additional credit to the DCP. Key employees and directors may elect to have their deferrals credited to a company stock account, an interest account, equity accounts or mutual fund accounts based on certain benchmark funds.

Company Stock Account - The DCP does not permit diversification of deferrals credited to the company stock account and all distributions from participants' company stock accounts are made in the form of shares of Alliant Energy common stock. The deferred compensation obligations for participants' company stock accounts are recorded in "Additional paid-in capital" and the shares of Alliant Energy common stock held in a rabbi trust to satisfy this obligation are recorded in "Shares in deferred compensation trust" on Alliant Energy's balance sheets. At December 31, the carrying value of the deferred compensation obligation for the company stock account and the shares in the deferred compensation trust based on the historical value of the shares of Alliant Energy common stock contributed to the rabbi trust, and the fair market value of the shares held in the rabbi trust, were as follows (in millions):

	2018	2017
Carrying value	\$9.8	\$11.1
Fair market value	16.2	19.7

Interest, Equity and Mutual Fund Accounts - Distributions from participants' interest, equity and mutual fund accounts are in the form of cash payments. The deferred compensation obligations for participants' interest, equity and mutual fund accounts are recorded in "Pension and other benefit obligations" on the balance sheets. At December 31, 2018 and 2017, the carrying value of Alliant Energy's deferred compensation obligations for participants' interest, equity and mutual fund accounts, which approximates fair market value, was \$21.0 million and \$21.8 million, respectively.

NOTE 14. ASSET RETIREMENT OBLIGATIONS

Recognized AROs relate to legal obligations for the removal, closure or dismantlement of several assets including, but not limited to, wind farms, ash ponds, active ash landfills, solar generation and above ground storage tanks. Recognized AROs also include legal obligations for the management and final disposition of asbestos and polychlorinated biphenyls. AROs are recorded in "Other current liabilities" and "Other liabilities" on the balance sheets. Refer to Note 2 for information regarding regulatory assets related to AROs. A reconciliation of the changes in AROs associated with long-lived assets is as follows (in millions):

	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Balance, January 1	\$184.5	\$195.7	\$134.1	\$124.7	\$50.4	\$61.4
Revisions in estimated cash flows	(10.1)	4.3	(10.1)	7.0	—	(2.7)
Liabilities settled	(10.4)	(23.5)	(9.7)	(13.1)	(0.7)	(10.4)
Liabilities incurred	7.3	2.0	—	11.7	7.3	—
Accretion expense	6.2	6.0	4.0	3.8	2.2	2.1
Balance, December 31	\$177.5	\$184.5	\$118.3	\$134.1	\$59.2	\$50.4

NOTE 15. DERIVATIVE INSTRUMENTS

Commodity Derivatives -

Purpose - Derivative instruments are used for risk management purposes to mitigate exposures to fluctuations in certain commodity prices, transmission congestion costs and rail transportation costs. Risk policies are maintained that govern the use of such derivative instruments. Derivative instruments were not designated as hedging instruments and included the following:

Risk management purpose	Type of instrument
Mitigate pricing volatility for:	
Fuel used to supply natural gas-fired EGUs	Natural gas swap, options and physical forward contracts (IPL and WPL)
Natural gas supplied to retail customers	Natural gas swap, options and physical forward contracts (IPL and WPL)
Fuel used at coal-fired EGUs	Coal physical forward contracts (IPL and WPL)
Optimize the value of natural gas pipeline capacity	Natural gas physical forward contracts (IPL and WPL) Natural gas swap contracts (IPL)
Manage transmission congestion costs	FTRs (IPL and WPL)
Manage rail transportation costs	Diesel fuel swap contracts (WPL)

Notional Amounts - As of December 31, 2018, gross notional amounts and settlement/delivery years related to outstanding swap contracts, option contracts, physical forward contracts and FTRs that were accounted for as commodity derivative instruments were as follows (units in thousands):

	FTRs		Natural Gas		Coal		Diesel Fuel	
	MWhs	Years	Dths	Years	Tons	Years	Gallons	Years
Alliant Energy	10,399	2019	181,694	2019-2026	10,467	2019-2021	3,024	2019
IPL	5,954	2019	80,150	2019-2026	4,410	2019-2021	—	
WPL	4,445	2019	101,544	2019-2026	6,057	2019-2021	3,024	2019

Financial Statement Presentation - Derivative instruments are recorded at fair value each reporting date on the balance sheet as assets or liabilities. At December 31, the fair values of current derivative assets are included in “Other current assets,” non-current derivative assets are included in “Deferred charges and other,” current derivative liabilities are included in “Other current liabilities” and non-current derivative liabilities are included in “Other liabilities” on the balance sheets as follows (in millions):

	Alliant Energy		IPL		WPL	
	2018	2017	2018	2017	2018	2017
Current derivative assets	\$24.6	\$21.1	\$16.1	\$15.8	\$8.5	\$5.3
Non-current derivative assets	3.7	4.0	1.6	1.3	2.1	2.7
Current derivative liabilities	5.6	18.7	3.1	5.0	2.5	13.7
Non-current derivative liabilities	17.7	23.0	8.1	14.4	9.6	8.6

Credit Risk-related Contingent Features - Various agreements contain credit risk-related contingent features, including requirements to maintain certain credit ratings and/or limitations on liability positions under the agreements based on credit ratings. Certain of these agreements with credit risk-related contingency features are accounted for as derivative instruments. In the event of a material change in creditworthiness or if liability positions exceed certain contractual limits, credit support may need to be provided in the form of letters of credit or cash collateral up to the amount of exposure under the contracts, or the contracts may need to be unwound and underlying liability positions paid. At December 31, 2018 and 2017, the aggregate fair value of all derivative instruments with credit risk-related contingent features in a net liability position was not materially different than amounts that would be required to be posted as credit support to counterparties by Alliant Energy, IPL or WPL if the most restrictive credit risk-related contingent features for derivative agreements in a net liability position were triggered.

Balance Sheet Offsetting - The fair value amounts of derivative instruments subject to a master netting arrangement are not netted by counterparty on the balance sheets. However, if the fair value amounts of derivative instruments by counterparty were netted, amounts would not be materially different from gross amounts of derivative assets and derivative liabilities at December 31, 2018 and 2017. Fair value amounts recognized for the right to reclaim cash collateral (receivable) or the obligation to return cash collateral (payable) are not offset against fair value amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement.

NOTE 16. FAIR VALUE MEASUREMENTS

Valuation Hierarchy - Fair value measurement accounting establishes three levels of fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value. Level 1 pricing inputs are quoted prices available in active markets for identical assets or liabilities as of the reporting date. Level 2 pricing inputs are quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active as of the reporting date. Level 3 pricing inputs are unobservable inputs for assets or liabilities for which little or no market data exist and require significant management judgment or estimation.

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

Valuation Techniques -

Derivative assets and derivative liabilities - Swap, option and physical forward commodity contracts were non-exchange-based derivative instruments and were valued using indicative price quotations from a pricing vendor that provides daily exchange forward price settlements, from broker or dealer quotations, from market publications or from on-line exchanges. The indicative price quotations reflected the average of the bid-ask mid-point prices and were obtained from sources believed to provide the most liquid market for the commodity. A portion of these indicative price quotations were corroborated using quoted prices for similar assets or liabilities in active markets and categorized derivative instruments based on such indicative price quotations as Level 2. Commodity contracts that were valued using indicative price quotations based on significant assumptions such as seasonal or monthly shaping and indicative price quotations that could not be readily corroborated were categorized as Level 3. Swap, option and physical forward commodity contracts were predominately at liquid trading points. FTRs were valued using auction prices and were categorized as Level 3. Refer to Note 15 for additional details of derivative assets and derivative liabilities.

Deferred proceeds (sales of receivables) - The fair value of IPL's deferred proceeds related to its sales of accounts receivable program was calculated each reporting date using the cost approach valuation technique. The fair value represents the carrying amount of receivables sold less the allowance for doubtful accounts associated with the receivables sold and cash amounts received from the receivables sold due to the short-term nature of the collection period. These inputs were considered unobservable and deferred proceeds were categorized as Level 3. Deferred proceeds represent IPL's maximum exposure to loss related to the receivables sold. Refer to Note 5(b) for additional information regarding deferred proceeds.

Long-term debt (including current maturities) - The fair value of long-term debt instruments was based on a discounted cash flow methodology using observable data from comparably traded securities with similar credit profiles, and was substantially classified as Level 2. Refer to Note 9(b) for additional information regarding long-term debt.

Fair Value of Financial Instruments - The carrying amounts of current assets and current liabilities approximate fair value because of the short maturity of such financial instruments. Carrying amounts and the related estimated fair values of other financial instruments at December 31 were as follows (in millions):

Alliant Energy	2018					2017				
	Carrying Amount	Fair Value				Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Assets:										
Derivatives	\$28.3	\$—	\$8.9	\$19.4	\$28.3	\$25.1	\$—	\$4.1	\$21.0	\$25.1
Deferred proceeds	119.4	—	—	119.4	119.4	222.1	—	—	222.1	222.1
Liabilities and equity:										
Derivatives	23.3	—	16.1	7.2	23.3	41.7	—	8.5	33.2	41.7
Long-term debt (incl. current maturities)	5,502.8	—	5,858.4	2.4	5,860.8	4,866.3	—	5,444.6	2.9	5,447.5

Information for fair value measurements using significant unobservable inputs (Level 3 inputs) was as follows (in millions):

Alliant Energy	Commodity Contract Derivative			
	Assets and (Liabilities), net		Deferred Proceeds	
	2018	2017	2018	2017
Beginning balance, January 1	(\$12.2)	\$8.7	\$222.1	\$211.1
Total net gains (losses) included in changes in net assets (realized/unrealized)	9.1	(32.9)	—	—
Transfers out of Level 3 (a)	16.1	12.2	—	—
Purchases	26.7	28.3	—	—
Sales	(0.5)	(0.3)	—	—
Settlements (b)	(27.0)	(28.2)	(102.7)	11.0
Ending balance, December 31	\$12.2	(\$12.2)	\$119.4	\$222.1
The amount of total net gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains (losses) relating to assets and liabilities held at December 31	\$10.7	(\$31.0)	\$—	\$—

- (a) Observable market inputs became available for certain commodity contracts previously classified as Level 3 for transfers out of Level 3.
- (b) Settlements related to deferred proceeds are due to the change in the carrying amount of receivables sold less the allowance for doubtful accounts associated with the receivables sold and cash amounts received from the receivables sold.

Commodity Contracts - The fair value of electric, FTR and natural gas commodity contracts categorized as Level 3 was recognized as net derivative assets (liabilities) at December 31 as follows (in millions):

	Alliant Energy		IPL		WPL	
	Excluding FTRs	FTRs	Excluding FTRs	FTRs	Excluding FTRs	FTRs
2018	\$3.2	\$9.0	\$1.8	\$7.2	\$1.4	\$1.8
2017	(23.5)	11.3	(11.5)	10.1	(12.0)	1.2

NOTE 17. COMMITMENTS AND CONTINGENCIES

NOTE 17(a) Capital Purchase Commitments - Various contractual obligations contain minimum future commitments related to capital expenditures for certain construction projects. IPL's projects include the expansion of wind generation. WPL's projects include West Riverside. At December 31, 2018, Alliant Energy's, IPL's and WPL's minimum future commitments for these projects were \$40 million, \$14 million and \$26 million, respectively.

NOTE 17(b) Other Purchase Commitments - Various commodity supply, transportation and storage contracts help meet obligations to provide electricity and natural gas to utility customers. In addition, there are various purchase commitments associated with other goods and services. At December 31, 2018, the related minimum future commitments were as follows (in millions):

Alliant Energy	2019	2020	2021	2022	2023	Thereafter	Total
Purchased power (a)	\$159	\$135	\$149	\$140	\$155	\$307	\$1,045
Natural gas	254	151	119	94	67	196	881
Coal	102	49	26	9	9	—	195
Other (b)	60	4	3	2	2	—	71
	\$575	\$339	\$297	\$245	\$233	\$503	\$2,192

- (a) Includes payments required by PPAs for capacity rights and minimum quantities of MWhs required to be purchased. In July 2018, IPL entered into an amendment to shorten the term of the DAEC PPA by five years in exchange for a \$110 million buyout payment by IPL in September 2020, subject to IUB approval. In December 2018, IPL received an order from the IUB, which was effective in January 2019, approving recovery of the buyout payment. As a result, amounts in the above table do not include the September 2020 buyout payment, and the minimum future commitments reflect IPL's purchase of capacity and the resulting energy from DAEC through December 2025, the original term of the PPA prior to the amendment. Amounts in the above table for 2021 and beyond relate to the DAEC PPA.
- (b) Includes individual commitments incurred during the normal course of business that exceeded \$1 million at December 31, 2018.

NOTE 17(c) Legal Proceedings - Alliant Energy, IPL and WPL are involved in legal and administrative proceedings before various courts and agencies with respect to matters arising in the ordinary course of business. Although unable to predict the outcome of these matters, Alliant Energy, IPL and WPL believe that appropriate reserves have been established and final disposition of these actions will not have a material effect on their financial condition or results of operations.

NOTE 17(d) Guarantees and Indemnifications -

Whiting Petroleum - In 2004, Alliant Energy sold its remaining interest in Whiting Petroleum. Whiting Petroleum is an independent oil and gas company. Alliant Energy Resources, LLC, as the successor to a predecessor entity that owned Whiting Petroleum, and a wholly-owned subsidiary of AEF, continues to guarantee the partnership obligations of an affiliate of Whiting Petroleum under general partnership agreements in the oil and gas industry, including with respect to the future abandonment of certain platforms off the coast of California and related onshore plant and equipment owned by the partnerships. The guarantees do not include a maximum limit. As of December 31, 2018, the present value of the abandonment obligations is estimated at \$36 million. Alliant Energy is not aware of any material liabilities related to these guarantees of which it is probable that Alliant Energy Resources, LLC will be obligated to pay and therefore has not recognized any material liabilities related to this guarantee as of December 31, 2018 and 2017.

Non-utility Wind Farm in Oklahoma - In July 2017, a wholly-owned subsidiary of AEF acquired a cash equity ownership interest in a non-utility wind farm located in Oklahoma. The wind farm provides electricity to a third-party under a long-term PPA. Alliant Energy provided a parent guarantee of its subsidiary's indemnification obligations under the related operating agreement and PPA. Alliant Energy's obligations under the operating agreement were \$90 million as of December 31, 2018 and will reduce annually until expiring in July 2047. Alliant Energy's obligations under the PPA are subject to a maximum limit of \$17 million and expire in December 2031, subject to potential extension. Alliant Energy is not aware of any material liabilities related to this guarantee that it is probable that it will be obligated to pay and therefore has not recognized any material liabilities related to this guarantee as of December 31, 2018 and 2017.

IPL's Minnesota Electric Distribution Assets - IPL provided indemnifications associated with the July 2015 sale of its Minnesota electric distribution assets for losses resulting from potential breach of IPL's representations, warranties and obligations under the sale agreement. Alliant Energy and IPL believe the likelihood of having to make any material cash payments under these indemnifications is remote. IPL has not recorded any material liabilities related to these indemnifications as of December 31, 2018 and 2017. The general terms of the indemnifications provided by IPL included a maximum limit of \$17 million and expire in October 2020.

NOTE 17(e) Environmental Matters - Alliant Energy, IPL and WPL are subject to environmental regulations as a result of their current and past operations. These regulations are designed to protect public health and the environment and have resulted in compliance, remediation, containment and monitoring obligations, which are recorded as current and non-current environmental liabilities. Substantially all of the environmental liabilities recorded on the balance sheets relate to MGP sites.

MGP Sites - IPL and WPL have current or previous ownership interests in various sites that are previously associated with the production of gas for which IPL and WPL have, or may have in the future, liability for investigation, remediation and monitoring costs. 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 these former MGP sites in order to protect public health and the environment. At December 31, 2018, estimated future costs expected to be incurred for the investigation, remediation and monitoring of the MGP sites, as well as environmental liabilities recorded on the balance sheets for these sites, which are not discounted, were as follows (in millions). At December 31, 2018, such amounts for WPL were not material.

	Alliant Energy	IPL
Range of estimated future costs	\$11 - \$29	\$8 - \$24
Current and non-current environmental liabilities	15	12

IPL Consent Decree - In 2015, the U.S. District Court for the Northern District of Iowa approved a Consent Decree that IPL entered into with the EPA, the Sierra Club, the State of Iowa and Linn County in Iowa, thereby resolving potential CAA issues associated with emissions from IPL's coal-fired generating facilities in Iowa. IPL has completed various requirements under the Consent Decree. IPL's remaining requirements include installing an SCR system or equivalent NOx reduction system at Ottumwa by December 31, 2019, and fuel switching or retiring Burlington by December 31, 2021 and Prairie Creek Units 1 and 3 by December 31, 2025. Alliant Energy and IPL currently expect to recover material costs incurred by IPL related to compliance with the terms of the Consent Decree from IPL's electric customers.

Other Environmental Contingencies - In addition to the environmental liabilities discussed above, various environmental rules are monitored that may have a significant impact on future operations. Several of these environmental rules are subject to legal challenges, reconsideration and/or other uncertainties. Given uncertainties regarding the outcome, timing and compliance plans for these environmental matters, the complete financial impact of each of these rules is not able to be determined; however future capital investments and/or modifications to EGUs to comply with certain of these rules could be significant. Specific current, proposed or potential environmental matters include, among others: Effluent Limitation Guidelines, CCR Rule, and various legislation and EPA regulations to monitor and regulate the emission of GHG, including the CAA.

NOTE 17(f) Credit Risk - IPL provides retail electric and gas services in Iowa and wholesale electric service in Minnesota, Illinois and Iowa. WPL provides retail electric and gas services and wholesale electric service in Wisconsin. The geographic concentration of IPL's and WPL's customers did not contribute significantly to overall credit risk exposure. In addition, as a result of a diverse customer base, IPL and WPL did not have any significant credit risk concentration for receivables arising from the sale of electricity or gas services.

Alliant Energy, IPL and WPL are subject to credit risk related to the ability of counterparties to meet their contractual payment obligations or the potential non-performance of counterparties to deliver contracted commodities and other goods or services at the contracted price. Credit policies are maintained to mitigate credit risk. These credit policies include evaluation of the financial condition of certain counterparties, use of credit risk-related contingent provisions in certain agreements that require credit support from counterparties not meeting specific criteria, diversification of counterparties to reduce concentrations of credit risk and the use of standardized agreements that facilitate the netting of cash flows associated with certain counterparties. Based on these credit policies and counterparty diversification, as well as utility cost recovery mechanisms, it is unlikely that counterparty non-performance would have a material effect on financial condition or results of operations. However, there is no assurance that these items will protect against all losses from counterparty non-performance.

Refer to Notes 5(a) and 15 for details of allowances for doubtful accounts and credit risk-related contingent features, respectively.

NOTE 17(g) Collective Bargaining Agreements - At December 31, 2018, employees covered by collective bargaining agreements represented 55%, 63% and 82% of total employees of Alliant Energy, IPL and WPL, respectively. In May 2019, WPL's collective bargaining agreement with International Brotherhood of Electrical Workers Local 965 expires, representing 26% and 82% of total employees of Alliant Energy and WPL, respectively.

NOTE 18. SEGMENTS OF BUSINESS

Alliant Energy - Alliant Energy's principal businesses as of December 31, 2018 are:

- **Utility** - includes the operations of IPL and WPL, which primarily serve retail customers in Iowa and Wisconsin. The utility business has three reportable segments: a) utility electric operations; b) utility gas operations; and c) utility other, which includes steam operations and the unallocated portions of the utility business. Various line items in the following tables are not allocated to the electric and gas segments for management reporting purposes, and therefore, are included only in "Total Utility."
- **ATC Holdings, Non-utility, Parent and Other** - includes the operations of AEF and its subsidiaries, Corporate Services, the Alliant Energy parent company, and any Alliant Energy parent company consolidating adjustments. AEF is comprised of Alliant Energy's interest in ATC Holdings, Transportation, a non-utility wind farm, the Sheboygan Falls Energy Facility and other non-utility holdings.

Alliant Energy's administrative support services are directly charged to the applicable segment where practicable. In all other cases, administrative support services are allocated to the applicable segment based on services agreements. Intersegment revenues were not material to Alliant Energy's operations and there was no single customer whose revenues were 10% or more of Alliant Energy's consolidated revenues. All of Alliant Energy's operations and assets are located in the U.S. Certain financial information relating to Alliant Energy's business segments, which represent the services provided to its customers, was as follows (in millions):

2018	Utility				ATC Holdings, Non-utility, Parent and Other	Alliant Energy Consolidated
	Electric	Gas	Other	Total		
Revenues	\$3,000.3	\$446.6	\$48.0	\$3,494.9	\$39.6	\$3,534.5
Depreciation and amortization	457.3	42.0	3.6	502.9	4.0	506.9
Operating income	610.2	53.2	0.3	663.7	30.7	694.4
Interest expense				217.2	29.8	247.0
Equity income from unconsolidated investments, net	(0.9)	—	—	(0.9)	(53.7)	(54.6)
Income taxes				33.0	14.7	47.7
Net income attributable to Alliant Energy common shareowners				472.1	40.0	512.1
Total assets	12,486.3	1,184.4	893.2	14,563.9	862.1	15,426.0
Investments in equity method subsidiaries	8.1	—	—	8.1	413.2	421.3
Construction and acquisition expenditures	1,421.1	146.8	0.4	1,568.3	65.6	1,633.9

2017	Utility				ATC Holdings, Non-utility, Parent and Other	Alliant Energy Consolidated
	Electric	Gas	Other	Total		
Revenues	\$2,894.7	\$400.9	\$47.5	\$3,343.1	\$39.1	\$3,382.2
Depreciation and amortization	412.0	38.2	7.7	457.9	3.9	461.8
Operating income (loss)	601.7	47.7	(11.6)	637.8	33.4	671.2
Interest expense				206.2	9.4	215.6
Equity income from unconsolidated investments, net	(0.7)	—	—	(0.7)	(44.1)	(44.8)
Income taxes				51.0	15.7	66.7
Net income attributable to Alliant Energy common shareowners				403.4	53.9	457.3
Total assets	11,396.2	1,199.8	766.5	13,362.5	825.3	14,187.8
Investments in equity method subsidiaries	8.3	—	—	8.3	373.1	381.4
Construction and acquisition expenditures	1,154.9	125.2	1.7	1,281.8	185.1	1,466.9

2016	Utility				ATC Holdings, Non-utility, Parent and Other	Alliant Energy Consolidated
	Electric	Gas	Other	Total		
Revenues	\$2,875.5	\$355.4	\$48.6	\$3,279.5	\$40.5	\$3,320.0
Depreciation and amortization	367.0	34.2	2.1	403.3	8.3	411.6
Operating income (loss)	586.5	33.0	(4.7)	614.8	(60.7)	554.1
Interest expense				194.6	1.6	196.2
Equity income from unconsolidated investments, net	(0.7)	—	—	(0.7)	(38.9)	(39.6)
Income tax expense (benefit)				71.4	(12.0)	59.4
Net income (loss) attributable to Alliant Energy common shareowners				385.2	(13.7)	371.5
Total assets	10,722.9	1,091.1	781.0	12,595.0	778.8	13,373.8
Investments in equity method subsidiaries	7.7	—	—	7.7	318.3	326.0
Construction and acquisition expenditures	994.0	137.1	0.1	1,131.2	65.6	1,196.8

NOTE 19. 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. The related amounts billed between the parties were as follows (in millions):

	2018	2017	2016
ATC billings to WPL	\$106	\$105	\$110
WPL billings to ATC	11	10	13

As of December 31, 2018 and 2017, WPL owed ATC net amounts of \$8 million and \$9 million, respectively. Refer to Note 6 for discussion of WPL's transfer of its investment in ATC to ATI on December 31, 2016.

NOTE 20. SELECTED CONSOLIDATED QUARTERLY FINANCIAL DATA (UNAUDITED)

Alliant Energy - All “per share” references refer to earnings per diluted share. Summation of the individual quarters may not equal annual totals due to rounding.

	2018				2017			
	March 31	June 30	Sep. 30	Dec. 31	March 31	June 30	Sep. 30	Dec. 31
	(in millions, except per share data)							
Revenues	\$916.3	\$816.1	\$928.6	\$873.5	\$853.9	\$765.3	\$906.9	\$856.1
Operating income	165.7	151.2	256.1	121.4	147.2	153.7	236.3	134.0
Amounts attributable to Alliant Energy common shareowners:								
Income from continuing operations, net of tax	120.9	100.4	205.5	85.3	99.0	94.3	168.8	93.8
Income from discontinued operations, net of tax	—	—	—	—	1.4	—	—	—
Net income	120.9	100.4	205.5	85.3	100.4	94.3	168.8	93.8
Earnings per weighted average common share attributable to Alliant Energy common shareowners:								
Income from continuing operations, net of tax	0.52	0.43	0.87	0.36	0.43	0.41	0.73	0.41
Income from discontinued operations, net of tax	—	—	—	—	0.01	—	—	—
Net income	0.52	0.43	0.87	0.36	0.44	0.41	0.73	0.41

Our leaders

BOARD OF DIRECTORS



Patricia L. Kampling
Chairman of the Board
and Chief Executive Officer
Director since 2012
Age 59



Patrick E. Allen
Chief Financial Officer,
Collins Aerospace
Director since 2011
Age 54



Deborah B. Dunie
Former Executive Vice
President and Chief
Technology Officer,
CACI International Inc.
Director since 2015
Age 55



Jillian C. Evanko
Chief Executive Officer
and President,
Chart Industries, Inc.
Director since 2019
Age 41



Darryl B. Hazel
Former Senior
Vice President,
Ford Motor Company
Director since 2006
Age 70



John O. Larsen
President and COO –
Alliant Energy Corp.,
CEO Wisconsin Power
and Light and Interstate
Power and Light
Director since 2019
Age 55



Singleton B. McAllister
Of Counsel,
Husch Blackwell
Director since 2001
Age 67



Roger K. Newport
Chief Executive Officer,
AK Steel Holding Corp.
Director since 2018
Age 54



Dean C. Oestreich
Former Chairman,
Pioneer Hi-Bred
International, Inc.
Director since 2005
Age 67



Thomas F. O'Toole
Executive Director of
the Program for Data
Analytics at the Kellogg
School of Management of
Northwestern University
Director since 2015
Age 61



Carol P. Sanders
President,
Carol P. Sanders
Consulting LLC
Director since 2005
Age 52



Susan D. Whiting
Former Vice Chair,
Nielsen, N.V.
Director since 2013
Age 62

Information as of April 1, 2019. For detailed information on each board member, please refer to the proxy statement for the 2019 Annual Meeting of Shareowners.

CORPORATE OFFICERS

Patricia L. Kampling, 59 [2005]*
Chairman and CEO

John O. Larsen, 55 [1988]*
*President and COO – Alliant Energy
Corporation, CEO Wisconsin Power and
Light and Interstate Power and Light*

Robert J. Durian, 48 [1992]*
*Senior Vice President and
Chief Financial Officer*

James H. Gallegos, 58 [2010]*
*Senior Vice President, General Counsel
and Corporate Secretary*

David A. de Leon, 56 [1987]*
*Senior Vice President,
President – Wisconsin Power and Light*

Terry L. Kouba, 60 [1981]*
*Senior Vice President,
President – Interstate Power and Light*

Douglas R. Kopp, 65 [1992]*
Senior Vice President

James P. Brummond, 50 [2002]
Vice President

Aimee L. Davis, 46 [2018]
Vice President

Linda K. Mattes, 58 [1982]
Vice President

Joel J. Schmidt, 55 [1988]
Vice President

Barbara P. Tormaschy, 54 [2016]
Vice President and Treasurer

Benjamin M. Bilitz, 44 [2011]*
*Chief Accounting Officer
and Controller*

Wenyu T. Blanchard, 45 [2016]
Assistant Corporate Secretary

Melissa A. Kehoe, 34 [2016]
Assistant Controller

Neil M. Krebsbach, 59 [1995]
Assistant Treasurer

NON-UTILITY BUSINESS OFFICER

Kevin P. Burke, 60 [1981]
President – Alliant Energy Transportation

*Executive officer as of Dec. 31, 2018.

Dates in brackets represent the year each person joined the company or a predecessor company that ultimately became part of Alliant Energy.

Shareowner information

Stock exchange listings

Alliant Energy – Common stock

Trading exchange

NASDAQ GSM

Trading symbol

LNT

Interstate Power and Light Company
– 5.1% Preferred

NASDAQ GSM

IPLDP

Alliant Energy common stock quarterly price ranges and dividends

Quarter	2017			2018		
	High	Low	Dividend	High	Low	Dividend
First	\$ 40.32	\$ 36.56	\$ 0.315	\$ 42.72	\$ 36.84	\$ 0.335
Second	42.19	38.95	0.315	43.47	38.22	0.335
Third	43.69	39.36	0.315	44.18	41.39	0.335
Fourth	45.55	41.05	0.315	46.58	40.68	0.335
Year	45.55	36.56	1.26	46.58	36.84	1.34

Alliant Energy Corporation 2018 year-end common stock closing price: \$42.25.

2019 record and dividend payment dates

Anticipated record and payment dates are as follows:

Common stock

Record dates	Payment dates
Jan 31	Feb 15
Apr 30	May 15
Jul 31	Aug 15
Oct 31	Nov 15

Alliant Energy Corporation had 25,029 shareowners of record as of December 31, 2018. Shareowner records were maintained by EQ Shareowner Services in St. Paul, Minn.

Annual Meeting

The 2019 Annual Meeting of Shareowners will be a virtual-only meeting (no physical location). The meeting will be held on Thursday, May 16, at 9:00 a.m. Central Daylight Time. To access the meeting, you will need your 16-digit control number found on your proxy card.

Log in at virtualshareholder.meeting.com/LNT2019 or listen by phone at 1-877-328-2502.

Form 10-K information

Upon request, the company will provide, without charge, copies of the Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the Securities and Exchange Commission (SEC). All reports filed with the SEC are also available through our website at alliantenergy.com/investors.

Electronic access to Alliant Energy's Annual Report, Proxy Statement and Form 10-K

Alliant Energy offers shareowners access to its Annual Report, Proxy Statement and Form 10-K online at alliantenergy.com/investors as a convenient alternative to mailing the printed materials.

Shareowners who have access to the internet are encouraged to enroll in the electronic access program at shareowneronline.com.

Shareowner Direct Plan

The Shareowner Direct Plan is available to all shareowners of record and first-time investors. Through the plan, shareowners may buy common stock directly through the company without paying any brokerage commissions. Shareowners can also elect to reinvest the dividend. Full details are in the prospectus, which can be obtained through our website or by calling EQ Shareowner Services. Contact information is listed on this page.

Direct deposit

Shareowners may choose to have their quarterly dividend electronically deposited into their checking or savings account. Electronic deposit may be initiated or changed at shareowneronline.com or by calling EQ Shareowner Services. Contact information is listed on this page.

Duplicate mailings

Shares owned by one person but held in different forms of the same name result in duplicate mailing of shareowner information at added expense to the company. Such duplication can be eliminated only at the direction of the shareowner. Please notify EQ Shareowner Services to eliminate duplication. Contact information is listed on this page.

Stock transfer agent, registrar and dividend payments

EQ Shareowner Services
1110 Centre Pointe Curve
Suite 101
MAC N9173-010
Mendota Heights, MN 55120
Phone: 1-800-356-5343
7 a.m. to 7 p.m. CT, M-F
shareowneronline.com
Fax: 1-651-450-4033

Historical research/other company information

For assistance with account history for calculating your cost basis or requests for copies of our Annual Report, Proxy Statement and Form 10-K, please contact Alliant Energy Shareowner Services in Madison, Wis., using the contact information below.

Alliant Energy Shareowner Services

4902 N. Biltmore Lane
P.O. Box 14720
Madison, WI 53708-0720
Phone: 1-800-353-1089
Email: shareownerservices@alliantenergy.com

Questions? EQ Shareowner Services

Phone: 1-800-356-5343
7 a.m. to 7 p.m. CT, M-F
shareowneronline.com

Corporate Sustainability Report details progress

Our *Corporate Sustainability Report* (CSR) highlights another step forward in our clean energy vision. In keeping with our efforts to use resources more wisely, this report is issued exclusively online.

Previously, we highlighted our intent to reduce carbon dioxide (CO₂) emissions by 40% and water supply needs by 75% by 2030 from 2005 levels.

Now, we've added a goal to have renewables make up over 30% of our energy mix by 2030. And, we've taken our clean energy vision even further into the future. By 2050, we will eliminate all existing coal from our energy mix, and CO₂ emissions from fossil-fueled generation will be reduced by 80% from 2005 levels.

Check out our CSR at alliantenergy.com/sustainability.

Alliant Energy Corporate Headquarters

4902 N. Biltmore Lane
Madison, WI 53718-2148

General information: 1-800-ALLIANT
alliantenergy.com

Individual shareowner questions
Alliant Energy Shareowner Services: 1-800-353-1089

Stock transfer agent and registrar
EQ Shareowner Services: 1-800-356-5343
shareowneronline.com

The common stock of Alliant Energy Corp. is traded on the Nasdaq Global Select Market (Nasdaq) under the symbol LNT.

