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INTERSTATE POWER & LIGHT CO

Form 10-Q

May 04, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended **March 31, 2009**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

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

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

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

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

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

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

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

Yes o No x

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

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

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FORWARD-LOOKING STATEMENTS

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

federal and state regulatory or governmental actions, including the impact of energy-related and tax legislation and regulatory agency orders;

their ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of operating costs, capital expenditures and deferred expenditures, the earning of reasonable rates of return and the payment of expected levels of dividends;

developments that adversely impact their ability to implement their strategic plans including unanticipated issues in connection with construction of their new generating facilities and WPL's potential purchases of the Riverside Energy Center (Riverside) and Alliant Energy Resources, LLC's (Resources') electric generating facility in Neenah, Wisconsin;

IPL's ability to reduce the impact of a proposed transmission rate increase for 2009;

the state of the economy in their service territories and resulting implications on sales and ability to collect unpaid bills, in particular as a result of the current recession;

issues related to the availability of generating facilities and the supply and delivery of fuel and purchased electricity and price thereof, including the ability to recover and retain purchased power, fuel and fuel-related costs through rates in a timely manner;

the impact fuel and fuel-related prices and other economic conditions may have on their customers' demand for utility services;

impacts that storms or natural disasters in their service territories may have on their operations, including uncertainties associated with efforts to remediate the effects of the June 2008 Midwest flooding, reimbursement of storm-related costs covered by insurance, anticipated amount of operating and maintenance expenses, levels of steam margins, rate relief for costs associated with restoration and impacts of the flooding on the economic conditions of the affected service territories;

issues associated with environmental remediation efforts and with environmental compliance generally, including changing environmental laws and regulations and the ability to recover through rates all environmental compliance costs;

potential impacts of any future laws or regulations regarding global climate change or carbon emissions reductions;

the growth rate of ethanol and biodiesel production in their service territories;

continued access to the capital markets under competitive terms and rates;

weather effects on results of operations;

financial impacts of hedging strategies, including the impact of weather hedges on earnings;

sales and project execution for RMT, Inc. and the level of growth in the wind development market;

issues related to electric transmission, including operating in the Midwest Independent Transmission System Operator (MISO) energy and ancillary services markets, the impacts of potential future billing adjustments from MISO and recovery of costs incurred;

unplanned outages at generating facilities and risks related to recovery of incremental costs through rates;

Resources' ability to successfully defend against, and any liabilities arising out of, the alleged default by Resources under the Indenture for the Exchangeable Senior Notes due 2030;

Alliant Energy's ability to successfully defend against, and any liabilities arising out of, the purported shareowner derivative complaint stemming from the Exchangeable Senior Notes due 2030 litigation;

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

current or future litigation, regulatory investigations, proceedings or inquiries;

Alliant Energy's ability to sustain its dividend payout ratio goal;

the direct or indirect effects resulting from terrorist incidents or responses to such incidents;

employee workforce factors, including changes in key executives, collective bargaining agreements or work stoppages;

access to technological developments;

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

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

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

the ability to continue cost controls and operational efficiencies;

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

the ability to utilize tax capital losses and net operating losses generated to date, and those that may be generated in the future, before they expire;

the ability to successfully complete ongoing tax audits and appeals with no material impact on earnings and cash flows;

inflation and interest rates; and

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

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

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

ALLIANT ENERGY CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

For the Three Months Ended March 31,
2009 2008

(dollars in millions, except per share amounts)

Operating revenues:

Utility:		
Electric	\$608.1	\$567.7
Gas	264.6	308.5
Other	31.0	17.9
Non-regulated	46.2	97.9
	949.9	992.0

Operating expenses:

Utility:		
Electric production fuel and purchased power	322.4	277.9
Electric transmission service	58.7	45.7
Cost of gas sold	199.1	232.1
Other operation and maintenance	160.5	142.7

ALLIANT ENERGY CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

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

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

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ALLIANT ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

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

ALLIANT ENERGY CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)5

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

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

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

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

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4,750.8

4,817.7

Current liabilities:

Current maturities of long-term debt

236.4

136.4

Commercial paper

100.8

86.1

Accounts payable

359.8

425.1