



Annual Report

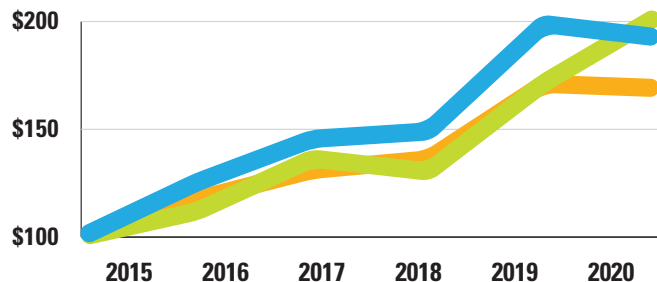
2020



Contents

CEO Letter	1
Selected Financial and Operating Statistics	3
Management's Discussion and Analysis of Financial Condition and Results of Operations	6
Management's Annual Report on Internal Control over Financial Reporting	22
Reports of Independent Registered Public Accounting Firm	23
Consolidated Financial Statements	26
Notes to Consolidated Financial Statements	30
Our Leaders	60
Shareowner Information	Inside back cover

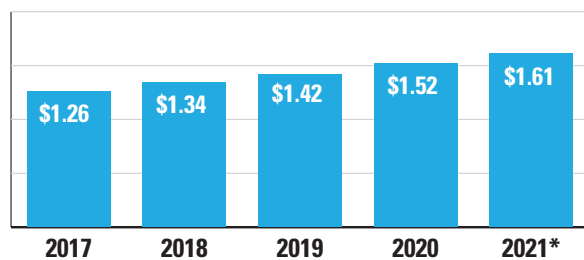
Five-year return



Comparison of cumulative five-year total return when investing \$100 on December 31, 2015.



Dividends per share



* Annual common stock dividend target. Payment of the 2021 dividends is subject to the actual dividend declaration by the Board of Directors.

2021 Virtual Annual Meeting

Thursday, May 20, at 9 a.m.
Central Daylight Time

To participate online:



virtualshareholdermeeting.com/LNT2021



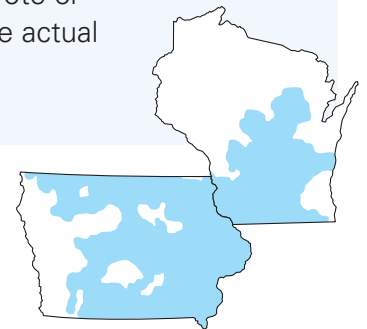
To listen by phone:

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. Questions not answered during the meeting will have answers posted on our webpage at alliantenergy.com/investors.

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 \$3.4 billion. Our company is primarily engaged in electric generation and the distribution of electricity and natural gas. We serve approximately 975,000 electric and 420,000 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 sells electricity to wholesale customers in Minnesota, Illinois and Iowa. WPL provides retail and wholesale electric and retail gas service in Wisconsin.



Headquartered in Madison, Wisconsin, Alliant Energy has approximately 3,400 employees and more than 23,000 shareowners of record. Based on electric sales, the largest cities served in Iowa and Wisconsin are Cedar Rapids and Beloit, respectively.

A letter from John Larsen

Dear Shareowners of Alliant Energy,

As I reflect on 2020, one word that quickly comes to mind is resilience. As we navigated the COVID-19 pandemic's impact on our customers and our economy, took concrete action to address racial injustice, increased financial resources for our low-income customers, and responded to the devastation caused by the massive Midwest derecho – our employees clearly showed resilience throughout 2020. Throughout the year, our nearly 3,400 employees across Iowa and Wisconsin remained resilient and continued to deliver on our Purpose – to serve customers and build stronger communities. We are driven by our Purpose and guided by our Values as we carry on our commitment to:

- Provide safe, reliable and affordable energy.
- Drive economic growth for our communities.
- Build a diverse and inclusive workforce.
- Advance a Clean Energy Future.

We have a well-designed and forward-looking strategy that ensures we deliver on these commitments. They are further reinforced through our corporate responsibility goals. At the end of last year, we achieved a significant milestone as we reduced carbon emissions from 2005 levels by over 40%. We are also solidly on a path to eliminate coal from our generation mix and replace it with high-efficiency natural gas and renewable sources like wind and solar. In addition, we introduced a new aspirational goal in 2020 to achieve net-zero carbon emissions from the energy we generate by 2050.

Our path forward is bold, thoughtful and measured. As we continue our efforts to care for the environment and build a healthier tomorrow, we will also remain focused on supporting our communities through local investments in renewable energy, operating a resilient and reliable energy grid, and our many volunteer and charitable contributions.



John Larsen
Chair, President and
CEO

We have developed Clean Energy Blueprints – tailored to each state we proudly serve – to guide us as we carry out this important work.

In Wisconsin, our Clean Energy Blueprint includes plans to retire coal-fired generation at our Edgewater and Columbia facilities. Our plan includes a significant investment in solar energy located in and around our service territory to replace the retired generation and transform our energy mix. Once operational, our new solar investments will generate enough power to reliably provide clean energy to over 175,000 Wisconsin homes.

In Iowa, the next phase of our Clean Energy Blueprint will include the addition of new state-of-the-art solar energy and battery storage developments for our customers. The Blueprint also outlines our plan to retire coal generation at our Lansing and Burlington facilities. These new investments will come on the heels of the successful completion of our wind energy expansion in Iowa. Our industry-leading efforts in wind expansion, coupled with



our plans to add new solar and storage, position our generation portfolio to include 50% of renewable resources by 2025.

Across both states, our customer-focused improvements to the energy grid will result in more of our electric lines placed underground – a major part of our efforts to improve grid resiliency during extreme weather events.

All these customer-focused, clean energy investments ensure the continued delivery of safe, reliable and affordable energy for decades to come – and improve the resiliency of our connected energy network. We remain committed to advancing our Clean Energy Vision through this balanced approach.

Working together to build stronger communities is a vital part of our Purpose. In 2020, Alliant Energy was once again named a Top Utility in Economic Development by Site Selection magazine. We were recognized for contributing to community development, creating jobs and collaborating with institutions of higher learning – demonstrating the value of our partnerships within the communities we serve.



(continued on page 2)

Our commitment to make a difference in the social fabric of our communities is equally important to deliver on our Purpose. In March, when COVID-19 was declared a global pandemic, we kept our employees safe by quickly implementing remote work plans for those who could do so. We put additional safety measures and protocols in place to protect our essential field personnel and customers.

Our volunteer efforts looked different this year as we embraced more socially distant activities during the pandemic. In the early weeks of the pandemic, our employees volunteered to sew masks and partnered with Iowa State University to create face shields. We delivered this essential protective equipment to healthcare and other essential workers when supplies were dangerously low. Our Foundation provided much-needed financial support to community organizations across our service area to address critical issues like food insecurity, which has sharply increased throughout the pandemic.



August brought the winds of a derecho to the Midwest. The largest storm in our company's history left more than a quarter million of our customers without power. Our employees immediately worked to get the lights on, alongside more than 2,000 line and tree-trimming crews from across the United States and Canada. In just over a week, our crews replaced 3,000 power poles – the equivalent of 10 months of work. This could not have been accomplished without the long hours, dedication and resiliency of our employees. I'm proud that our employees' tireless efforts to



restore electricity to our customers were recognized when we received the Edison Electric Institute's Emergency Response Award. Our Foundation and employees contributed hundreds of thousands of dollars to our Project ReConnect to help our customers repair damage to their homes. These examples showcase our Value to *Do the right thing* in action.

Our *Care for others* Value continues to be the cornerstone of our workplace diversity, equity, and inclusion efforts (DE&I). Alliant Energy was included in Bloomberg's Gender Equality Index – which highlights just 380 companies from around the world who are committed to supporting gender equality in the workplace. In addition, we were recently named to Newsweek's Most Responsible Companies list – where we ranked 12th overall for our social responsibility efforts. To top it off, for the fourth year in a row, Alliant Energy earned a perfect score on the Corporate Equality Index issued by the Human Rights Campaign Foundation.

By focusing on our Purpose, we were able to deliver another year of strong financial performance for our shareowners in 2020. Our Board of Directors approved raising the dividend target in 2021 by 6% to \$1.61 per share – the 18th year in a row we've increased shareowner dividends.

In closing, I want to express my gratitude to the talented and resilient employees of our company. Day after day in 2020, we came together to meet the many challenges the year presented. We are stronger for it, and we look forward to continued success in the year ahead. Thank you for your confidence in Alliant Energy – and for being a part of our story.

John O. Larsen
Chair, President and CEO



contributed hundreds of thousands of dollars to our Project ReConnect to help our customers repair damage to their homes. These examples showcase our Value to *Do the right thing* in action.

SELECTED AND FINANCIAL OPERATING STATISTICS

Financial Information - Alliant Energy

	2020 (a)	2019 (a)	2018	2017	2016
	(dollars in millions, except per share data)				
Income Statement Data:					
Revenues	\$3,416	\$3,648	\$3,534	\$3,382	\$3,320
Amounts attributable to Alliant Energy common shareowners:					
Income from continuing operations, net of tax	614	557	512	456	374
Income (loss) from discontinued operations, net of tax	—	—	—	1	(2)
Net income	614	557	512	457	372
Common Stock Data:					
Earnings per weighted average common share attributable to Alliant Energy common shareowners (basic):					
Income from continuing operations, net of tax	\$2.47	\$2.34	\$2.19	\$1.99	\$1.65
Loss from discontinued operations, net of tax	\$—	\$—	\$—	\$—	(\$0.01)
Net income	\$2.47	\$2.34	\$2.19	\$1.99	\$1.64
Earnings per weighted average common share attributable to Alliant Energy common shareowners (diluted):					
Income from continuing operations, net of tax	\$2.47	\$2.33	\$2.19	\$1.99	\$1.65
Loss from discontinued operations, net of tax	\$—	\$—	\$—	\$—	(\$0.01)
Net income	\$2.47	\$2.33	\$2.19	\$1.99	\$1.64
Common shares outstanding at year-end (000s)	249,868	245,023	236,063	231,349	227,674
Dividends declared per common share	\$1.52	\$1.42	\$1.34	\$1.26	\$1.175
Market value per share at year-end	\$51.53	\$54.72	\$42.25	\$42.61	\$37.89
Book value per share at year-end	\$22.76	\$21.24	\$19.43	\$18.08	\$16.96
Market capitalization at year-end	\$12,876	\$13,408	\$9,974	\$9,858	\$8,627
Other Selected Financial Data:					
Cash flows from operating activities	\$501	\$660	\$528	\$522	\$393
Construction and acquisition expenditures	\$1,366	\$1,640	\$1,634	\$1,467	\$1,197
Total assets at year-end	\$17,710	\$16,701	\$15,426	\$14,188	\$13,374

(a) Refer to "Results of Operations" in MDA for discussion of the 2020 and 2019 results of operations.

Electric Operating Information - Alliant Energy

	2020	2019	2018
Revenues (in millions):	\$2,920	\$3,064	\$3,000
Sales (000s MWh):	30,652	31,794	31,584
Customers (End of Period):	976,985	971,301	965,514
Sources of electric energy (000s MWh):			
Gas	10,440	11,060	9,731
Purchased power:			
Nuclear	2,347	3,748	3,538
Wind (a)	3,683	2,383	1,086
Other (a)	2,521	3,264	4,076
Wind (a)	4,872	2,896	1,603
Coal	7,021	8,643	12,113
Other (a)	254	239	240
Total	<u>31,138</u>	<u>32,233</u>	<u>32,387</u>

(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

	2020	2019	2018
Revenues (in millions):	\$373	\$455	\$447
Sales (000s Dths):	151,598	152,985	143,746
Retail Customers (End of Period)	419,994	417,322	415,174

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	GAAP	U.S. generally accepted accounting principles
AFUDC	Allowance for funds used during construction	GHG	Greenhouse gases
Alliant Energy	Alliant Energy Corporation	IPL	Interstate Power and Light Company
ARO	Asset retirement obligation	IRS	Internal Revenue Service
ATC	American Transmission Company LLC	ITC	ITC Midwest LLC
ATC Holdings	Interest in American Transmission Company LLC and ATC Holdco LLC	IUB	Iowa Utilities Board
ATI	AE Transco Investments, LLC	Marshalltown	Marshalltown Generating Station
CA	Certificate of authority	MDA	Management's Discussion and Analysis of Financial Condition and Results of Operations
CAA	Clean Air Act	MGP	Manufactured gas plant
CCR	Coal combustion residuals	MISO	Midcontinent Independent System Operator, Inc.
CO ₂	Carbon dioxide	MW	Megawatt
Corporate Services	Alliant Energy Corporate Services, Inc.	MWh	Megawatt-hour
COVID-19	Novel coronavirus	N/A	Not applicable
CPCN	Certificate of Public Convenience and Necessity	Note(s)	Notes to Consolidated Financial Statements
CWIP	Construction work in progress	OIP	Alliant Energy Omnibus Incentive Plan
DAEC	Duane Arnold Energy Center	OPEB	Other postretirement benefits
DCP	Alliant Energy Deferred Compensation Plan	PPA	Purchased power agreement
DLIP	Alliant Energy Director Long Term Incentive Plan	PSCW	Public Service Commission of Wisconsin
Dth	Dekatherm	Receivables Agreement	Receivables Purchase and Sale Agreement
EGU	Electric generating unit	Riverside	Riverside Energy Center
EPA	U.S. Environmental Protection Agency	SEC	Securities and Exchange Commission
EPS	Earnings per weighted average common share	U.S.	United States of America
Federal Tax Reform	Tax Cuts and Jobs Act	VEBA	Voluntary Employees' Beneficiary Association
FERC	Federal Energy Regulatory Commission	VIE	Variable interest entity
Financial Statements	Consolidated Financial Statements	Whiting Petroleum	Whiting Petroleum Corporation
FTR	Financial transmission right	WPL	Wisconsin Power and Light Company
Fuel-related	Electric production fuel and purchased power		

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:

- the direct or indirect effects resulting from the COVID-19 pandemic on sales volumes, margins, operations, employees, contractors, vendors, the ability to complete construction projects, supply chains, customers' inability to pay bills, suspension of disconnects, the market value of the assets that fund pension plans and the potential for additional funding requirements, the ability of counterparties to meet their obligations, compliance with regulatory requirements, the ability to implement regulatory plans, economic conditions and access to capital markets;
- 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;
- the direct or indirect effects resulting from terrorist incidents, including physical attacks and cyber attacks, or responses to such incidents;
- 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;

- IPL's and WPL's ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of and/or the return on costs, including fuel costs, operating costs, transmission costs, deferred expenditures, deferred tax assets, tax expense, capital expenditures, and remaining costs related to EGUs that may be permanently closed and certain other retired assets, decreases in sales volumes, 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 legislation, and regulatory agency orders;
- 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 impacts of changes in tax rates, including adjustments made to deferred tax assets and liabilities;
- 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;
- any material post-closing payments related to any past asset divestitures, including the sale of Whiting Petroleum, which could result from, among other things, indemnification agreements, warranties, guarantees or litigation;
- 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 federal, state or local regulations for CO2 emissions reductions from new and existing fossil-fueled EGUs, and litigation associated with environmental requirements;
- increased pressure from customers, investors and other stakeholders to more rapidly reduce CO2 emissions;
- 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 ability to complete construction of solar projects within the cost caps set by regulators and the ability to efficiently utilize the solar project tax benefits for the benefit of customers;
- changes in the price of delivered natural gas, transmission, 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;
- 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, including regulations promulgated by the Pipeline and Hazardous Materials Safety Administration;
- 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 excessive heat, excessive cold, storms or natural disasters may have on Alliant Energy's, IPL's and WPL's operations and recovery of costs associated with restoration activities or on the operations of Alliant Energy's investments;
- 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, timing and form of benefits payments, 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 from valuations and 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;
- 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

Strategy and Mission

Alliant Energy's mission is to deliver affordable energy solutions and exceptional service that its customers and communities count on - safely, efficiently and responsibly. The mission is supported by a strategy focused on meeting the evolving expectations of customers while providing an attractive return for investors, as well as serving its customers and building strong communities. 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 -

- WPL maintaining flat base rates in 2020 and 2021 by utilizing Federal Tax Reform benefits and lower fuel costs to offset higher revenue requirements from rate base additions.
- IPL's renewable energy rider became effective February 26, 2020, which allows for annual adjustments to electric rates charged to IPL's retail electric customers for actual renewable energy costs incurred to fund IPL's 1,000 MW of wind generating facilities placed in service in 2019 and 2020, and tax benefits.
- Providing \$35 million of billing credits to IPL's retail electric customers beginning in the third quarter of 2020 through June 2021, largely driven by Federal Tax Reform benefits for customers.
- Providing \$42 million of billing credits to IPL's retail electric customers in the second quarter of 2020 through its transmission cost rider for amounts previously collected in rates.
- Significant fuel cost reductions achieved in 2020 and further reductions in fuel cost expected in 2021 as a result of expansion of renewable generation, operating highly efficient, low cost natural gas facilities and shortening the term of IPL's DAEC PPA by 5 years.
- Changes in recovery amounts for energy efficiency costs through the energy efficiency rider resulted in lower costs for IPL's retail electric and gas customers in 2020.

Making customer-focused investments - Alliant Energy's strategic priorities include making significant customer-focused investments toward cleaner energy and sustainable customer solutions. 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 (refer to "Customer Investments" for details) -

- IPL's completion of more than 500 MW of new wind farms: Whispering Willow North (201 MW in January 2020), Golden Plains (200 MW in March 2020) and Richland (131 MW in September 2020).
- WPL's completion of the natural gas-fired West Riverside Energy Center (723 MW in May 2020), the Kossuth wind farm (152 MW in October 2020) and the expansion of its gas distribution system in Western Wisconsin in November 2020.
- Planned development and acquisition of additional renewable energy, including approximately 1,000 MW of solar generation at WPL by the end of 2023, approximately 400 MW of solar generation by the end of 2023 at IPL and approximately 100 MW of distributed energy resources, including community solar and energy storage systems beginning in 2021 at IPL. In addition, WPL may also develop additional solar generation and distributed energy resources.

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 -

- WPL entered into a wholesale power supply agreement with Consolidated Water Power Company, which was effective January 1, 2021 and is expected to bring approximately 60 MW of load to WPL's electric system.
- Alliant Energy has various development-ready sites throughout Iowa and Wisconsin, including the 1,300-acre Big Cedar Industrial Center Mega-site in Cedar Rapids, Iowa, and the 730-acre Prairie View Industrial Center Super Park in Ames, Iowa, which are rail-served ready-to-build manufacturing and industrial sites in close proximity to the regional airport and interstate freeways and access IPL's electric services. The Big Cedar Industrial Center Mega-site also accesses Travero's rail and warehousing services. In addition, the Beaver Dam Commerce Park is a 520-acre ready-to-build manufacturing and industrial site in Beaver Dam, Wisconsin, with access to commercial and freight airports, interstate freeways and WPL's electric services.

COVID-19

The outbreak of COVID-19 has become a global pandemic and Alliant Energy's service territories are not immune to the challenges presented by COVID-19. Despite these challenges, Alliant Energy, IPL and WPL continue to focus on providing the critical, reliable service their customers depend on, while emphasizing the health and welfare of their employees, customers and communities. Alliant Energy, IPL and WPL have not experienced significant impacts on their overall business operations, financial condition, results of operations or cash flows; however, the degree to which the COVID-19 pandemic may impact such items in the future is currently unknown and will depend on future developments of the pandemic as well as possible additional actions by government and regulatory authorities. Alliant Energy has mitigated the impact of sales declines from COVID-19 by accelerating planned cost transformation activities. Actual and potential impacts from COVID-19 include, but are not limited to, the following:

Operational and Supply Chain Impacts - Alliant Energy has modified certain business practices to help ensure the health and safety of its employees, contractors, customers and vendors consistent with orders and best practices issued by government and regulatory authorities. For example, Alliant Energy implemented its business continuity and pandemic plans for critical items and services, including travel restrictions, physical distancing, working-from-home protocols, and rescheduling of planned EGU outages. Alliant Energy also temporarily suspended service disconnects, waived late payment fees for its customers, and modified reconnect service procedures to ensure continuity of service for customers unable to pay their bills and consistency with regulatory orders.

While Alliant Energy has not experienced any significant issues to-date, it continues to monitor potential disruptions or constraints in materials and supplies from key suppliers. Alliant Energy's construction projects are currently progressing as planned with added safety protocols, and while it continues to monitor its supply chain, there have been no immediate disruptions. Alliant Energy's wind farms under construction during the pandemic were placed in service as previously planned to meet the timing requirements to qualify for the maximum renewable tax credits. In addition, Alliant Energy does not currently expect any material changes to its construction and acquisition expenditures plans disclosed in "Liquidity and Capital Resources" resulting from COVID-19.

Alliant Energy has not experienced, and currently does not expect, an interruption in its ability to provide electric and natural gas services to its customers. Alliant Energy currently expects to incur incremental direct expenses related to certain of these operational and supply chain impacts but does not expect them to have a material impact on its results of operations.

Customer Impacts - COVID-19 has resulted in various travel restrictions and closures of commercial spaces and industrial facilities in Alliant Energy's service territories. While the total expected impact of COVID-19 on future sales is currently unknown, Alliant Energy has experienced higher electric residential sales and lower electric commercial and industrial sales since the outset of the pandemic, and expects these sales trends by customer class to continue into 2021 but at lower impacts than in 2020. In 2020 compared to 2019, Alliant Energy's retail electric residential temperature-normalized sales increased 3%, and its retail electric commercial and industrial temperature-normalized sales decreased 4% in aggregate. In addition, Alliant Energy has not experienced a material increase in customer bankruptcies in 2020.

Liquidity and Capital Resources Impacts - In response to the uncertainty of the impacts of COVID-19, Alliant Energy enhanced its liquidity position in the first quarter of 2020 by settling \$222 million under the equity forward sale agreements and AEF accelerating the refinancing of its \$300 million term-loan credit agreement that would have been due in April 2020. Alliant Energy also enhanced its liquidity position by accelerating and/or increasing the size of new debt offerings in 2020, including WPL's issuance of \$350 million of debentures due 2050 in April 2020, IPL's issuance of \$400 million of senior debentures due 2030 in June 2020 and AEF's issuance of \$200 million of senior notes due 2026 in November 2020. Alliant Energy maintains a single credit facility, which allows borrowing capacity to shift among Alliant Energy (at the parent company level), IPL and WPL, as needed. During March and April 2020, Alliant Energy and WPL borrowed under the single credit facility for a portion of their temporary cash needs to obtain more favorable interest rates than available in the commercial paper market at that time. In addition, IPL maintains a sales of accounts receivable program as an alternative financing source; however, if customer arrears were to exceed certain levels, IPL's access to the program may be restricted.

Alliant Energy, IPL and WPL currently expect to maintain compliance with the financial covenants of the credit facility agreement, and Alliant Energy currently expects to maintain compliance with the financial covenants in AEF's term loan credit agreement. In addition, Alliant Energy currently expects to have adequate liquidity to fulfill its contractual obligations, access to capital markets and continue with its planned quarterly dividend payments.

Credit Risk Impacts - Alliant Energy's temporary suspension of service disconnects and waivers of late payment fees for its customers, as well as broad economic factors, may negatively impact its customers' willingness and ability to pay, which could increase customer arrears and bad debts, and negatively impact Alliant Energy's cash flows from operations. Currently, Alliant Energy does not anticipate any material credit risk related to its commodity transactions.

Regulatory Impacts - In March 2020, WPL received authorization from the PSCW to defer certain incremental costs incurred resulting from COVID-19, including bad debt expenses and foregone revenues from late payment fees. In August 2020, IPL received authorization from the IUB for utilization of a regulatory asset account to track increased expenses and other financial

impacts incurred after March 1, 2020 resulting from COVID-19. The recovery of any authorized deferrals will be addressed in future regulatory proceedings. In 2020, such amounts were not material.

Legislative Impacts - In March 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The most significant provision of the CARES Act for Alliant Energy relates to an acceleration of refunds of existing alternative minimum tax credits to increase liquidity. In July 2020, Alliant Energy received \$11 million of credits that otherwise would have been received in 2021 and 2022. In addition, Alliant Energy has deferred certain 2020 payroll taxes to 2021 and 2022. The CARES Act also provides additional funding to the Low Income Home Energy Assistance Program, which assists certain of Alliant Energy's customers with managing their energy costs, as well as financial support for certain of Alliant Energy's residential, small business and non-profit customers.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA) was enacted. The most significant provision of the CRRSA Act for Alliant Energy relates to the extension of certain renewable tax credits, and as a result, Alliant Energy will evaluate additional opportunities for repowering of its existing wind farms and additional solar projects beyond 2023. The CRRSA Act also provides additional funding to the Low Income Home Energy Assistance Program, as well as financial support for certain of Alliant Energy's residential, small business and non-profit customers.

Derecho Windstorm

In August 2020, a derecho windstorm caused considerable damage to IPL's electric distribution system in its service territory, and over 250,000 of its customers lost power. IPL completed its initial restoration efforts in August 2020 and permanent repairs to the system will continue into 2021. Refer to Note 2 for further discussion, including IPL's current estimate and requested regulatory treatment of certain incremental costs and benefits incurred resulting from the windstorm.

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 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):

	2020		2019	
	Income (Loss)	EPS	Income (Loss)	EPS
Utilities and Corporate Services	\$586	\$2.36	\$529	\$2.22
ATC Holdings	34	0.14	34	0.14
Non-utility and Parent	(6)	(0.03)	(6)	(0.03)
Alliant Energy Consolidated	\$614	\$2.47	\$557	\$2.33

Alliant Energy's Utilities and Corporate Services income increased \$57 million in 2020 compared to 2019. The increase was primarily due to higher earnings resulting from IPL's and WPL's increasing rate base. This item was partially offset by higher depreciation expense, lower AFUDC and higher WPL electric fuel-related costs, net of recoveries.

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	
	2020	2019	2020	2019	2020	2019
Operating income	\$740	\$778	\$410	\$403	\$306	\$347
Electric utility revenues	\$2,920	\$3,064	\$1,695	\$1,781	\$1,225	\$1,283
Electric production fuel and purchased power expenses	(652)	(777)	(352)	(435)	(300)	(342)
Electric transmission service expense	(449)	(481)	(298)	(340)	(151)	(141)
Utility Electric Margin (non-GAAP)	1,819	1,806	1,045	1,006	774	800
Gas utility revenues	373	455	208	264	165	191
Cost of gas sold	(182)	(222)	(99)	(120)	(83)	(102)
Utility Gas Margin (non-GAAP)	191	233	109	144	82	89
Other utility revenues	49	46	44	44	5	2
Non-utility revenues	74	83	—	—	—	—
Other operation and maintenance expenses	(670)	(712)	(375)	(404)	(254)	(261)
Depreciation and amortization expenses	(615)	(567)	(356)	(327)	(254)	(236)
Taxes other than income tax expense	(108)	(111)	(57)	(60)	(47)	(47)
Operating income	\$740	\$778	\$410	\$403	\$306	\$347

Operating Income Variances - Variances between periods in operating income for 2020 compared to 2019 were as follows (in millions):

	Alliant Energy	IPL	WPL
Total higher (lower) utility electric margin variance (Refer to details below)	\$13	\$39	(\$26)
Total lower utility gas margin variance (Refer to details below)	(42)	(35)	(7)
Total lower other operation and maintenance expenses variance (Refer to details below)	42	29	7
Higher depreciation and amortization expense primarily due to additional plant in service in 2019 and 2020, including IPL's new wind generation and WPL's West Riverside Energy Center	(48)	(29)	(18)
Other	(3)	3	3
	<u>(\$38)</u>	<u>\$7</u>	<u>(\$41)</u>

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

	Electric				Gas			
	Revenues		MWhs Sold		Revenues		Dths Sold	
	2020	2019	2020	2019	2020	2019	2020	2019
Alliant Energy								
Retail	\$2,652	\$2,751	24,535	25,121	\$333	\$408	48,808	55,850
Sales for resale	204	250	6,046	6,594	N/A	N/A	N/A	N/A
Transportation/Other	64	63	71	79	40	47	102,790	97,135
	<u>\$2,920</u>	<u>\$3,064</u>	<u>30,652</u>	<u>31,794</u>	<u>\$373</u>	<u>\$455</u>	<u>151,598</u>	<u>152,985</u>

Sales Trends and Temperatures - Alliant Energy's retail electric and gas sales volumes decreased 2% and 13% in 2020 compared to 2019, respectively, primarily due to the impacts from COVID-19, the derecho windstorm, and changes in temperatures in Alliant Energy's service territories, partially offset by an extra day of sales in 2020 due to leap year. In 2020, COVID-19 impacts on sales volumes resulted in increases for retail electric residential sales volumes and decreases for retail electric commercial and industrial sales volumes.

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

	Electric Margins		Gas Margins	
	2020	2019	2020	2019
IPL	\$1	\$10	\$—	\$5
WPL	3	4	(1)	3
Total Alliant Energy	<u>\$4</u>	<u>\$14</u>	<u>(\$1)</u>	<u>\$8</u>

Utility Electric Margin Variances - The following items contributed to increased (decreased) utility electric margins for 2020 compared to 2019 (in millions):

	Alliant Energy	IPL	WPL
Impact of IPL's retail electric final and interim rate increases effective February 2020 and April 2019, respectively (a)	\$63	\$63	\$—
Higher revenues at IPL due to credits on customers' bills in 2019 related to production tax credits through the fuel-related cost recovery mechanism (offset by changes in income tax)	16	16	—
Lower purchased electric capacity expense at WPL	8	—	8
Higher revenues at IPL due to changes in electric tax benefit rider credits on customers' bills (offset by changes in income tax expense)	6	6	—
Higher WPL electric fuel-related costs, net of recoveries	(18)	—	(18)
Lower revenues at IPL due to credits on customers' bills in 2020 related to excess deferred amortization through the tax benefit rider (offset by changes in income tax)	(15)	(15)	—
Changes in timing of collection of electric transmission service costs at WPL	(10)	—	(10)
Estimated changes in sales volumes caused by temperatures	(10)	(9)	(1)
Lower revenues at IPL related to changes in recovery amounts for energy efficiency costs through the energy efficiency rider (offset by changes in energy efficiency expense)	(8)	(8)	—
Other (includes lower temperature-normalized sales primarily due to the derecho windstorm and COVID-19 impacts)	(19)	(14)	(5)
	<u>\$13</u>	<u>\$39</u>	<u>(\$26)</u>

(a) IPL's interim retail electric base rate increase was effective April 1, 2019 and final retail electric base rate increase was effective February 26, 2020. Effective with final rates, the recovery of, and return on, IPL's new wind generation placed in service in 2019 and 2020 is provided through the renewable energy rider. Both interim and final rate increases include a reduction for anticipated production tax credits for IPL's new wind generation. This reduction is expected to be offset by a reduction in income tax expense resulting from production tax credits recognized from this new wind generation. Refer to Note 2 for further discussion.

Utility Gas Margin Variances - The following items contributed to increased (decreased) utility gas margins for 2020 compared to 2019 (in millions):

	Alliant Energy	IPL	WPL
Lower revenues at IPL related to changes in recovery amounts for energy efficiency costs through the energy efficiency rider (offset by changes in energy efficiency expense)	(\$34)	(\$34)	\$—
Estimated changes in sales volumes caused by temperatures	(9)	(5)	(4)
Impact of IPL's retail gas rate increase effective January 2020	11	11	—
Other (includes lower temperature-normalized sales primarily due to COVID-19 impacts)	(10)	(7)	(3)
	<u>(\$42)</u>	<u>(\$35)</u>	<u>(\$7)</u>

Other Operation and Maintenance Expenses Variances - The following items contributed to (increased) decreased other operation and maintenance expenses for 2020 compared to 2019 (in millions):

	Alliant Energy	IPL	WPL
Lower energy efficiency expense at IPL (primarily offset by lower electric and gas revenues)	\$39	\$39	\$—
Lower incentive compensation expense	9	6	3
Credit loss adjustments related to guarantees for an affiliate of Whiting Petroleum (Refer to Note 17(d))	7	—	—
Higher generation operation and maintenance expenses (primarily related to new generation, including wind at IPL and WPL and West Riverside at WPL)	(8)	(4)	(4)
Other	(5)	(12)	8
	<u>\$42</u>	<u>\$29</u>	<u>\$7</u>

Other Income and Deductions Variances - The following items contributed to (increased) decreased other income and deductions for 2020 compared to 2019 (in millions):

	Alliant Energy	IPL	WPL
Higher interest expense primarily due to higher average outstanding long-term debt balances, partially offset by lower interest rates on short-term debt outstanding at Alliant Energy and WPL	(\$2)	(\$12)	(\$2)
Lower AFUDC primarily due to changes in CWIP balances related to IPL's new wind generation and WPL's West Riverside Energy Center and new wind generation	(38)	(26)	(12)
Other (Refer to Note 6 for details of increased income from unconsolidated equity investments)	9	—	3
	<u>(\$31)</u>	<u>(\$38)</u>	<u>(\$11)</u>

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

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** - WPL currently expects to issue up to \$300 million of long-term debt in 2021. Alliant Energy currently expects to issue up to \$25 million of common stock in 2021 through its Shareowner Direct Plan.
- **Common Stock Dividends** - Alliant Energy announced a 6% increase in its targeted 2021 annual common stock dividend to \$1.61 per share, which is equivalent to a quarterly rate of \$0.4025 per share, beginning with the February 2021 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.
- **Higher Earnings on Increasing Rate Base** - Alliant Energy, IPL and WPL currently expect an increase in earnings in 2021 compared to 2020 due to impacts from increasing revenue requirements related to investments in the utility business, including IPL's and WPL's wind investments, WPL's Western Wisconsin gas distribution system expansion, and the impacts of IPL's DAEC PPA amendment buyout payment.
- **Extreme Temperatures** - In February 2021, portions of the central and southern U.S., including Alliant Energy's service territories, experienced a prolonged period of very cold temperatures and a series of winter storms. This resulted in significant volatility and increases in commodity prices caused by higher demand for electricity and natural gas and disruptions in commodity supply. As a result, Alliant Energy currently expects to incur higher electric production fuel and cost of gas sold expenses in 2021 compared to 2020 related to the extreme temperatures and winter storms. Any changes in electric production fuel and cost of gas sold is expected to be recovered through IPL's and WPL's cost recovery mechanisms resulting in impacts to customer bills in 2021. As a result of these impacts to customers during a pandemic, Alliant Energy plans to work with the respective commissions to evaluate the recovery of any higher costs over a longer period of time.
- **Depreciation and Amortization Expenses** - Alliant Energy, IPL and WPL currently expect an increase in depreciation and amortization expenses in 2021 compared to 2020 due to property additions, including IPL's and WPL's expansion of wind generation and WPL's natural gas-fired West Riverside Energy Center.
- **Allowance for Funds Used During Construction** - Alliant Energy currently expects AFUDC to decrease in 2021 compared to 2020 primarily due to decreased CWIP balances related to IPL's and WPL's wind generation and WPL's West Riverside Energy Center, which were placed in service in 2020.

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:

Environmental Stewardship

Alliant Energy's environmental stewardship is focused on meeting its customers' energy needs in an economical, efficient and sustainable manner. Alliant Energy proactively considers future environmental compliance requirements and proposed regulations in its planning, decision-making, construction and ongoing operations activities. Alliant Energy is focused on executing a long-term strategy to deliver reliable and affordable energy with lower emissions independent of changing policies and political landscape. To achieve these long-term goals, Alliant Energy will transition away from coal-fired EGUs and incorporate more renewable energy, distributed energy resources, energy efficiency, demand response, highly-efficient natural gas-fired EGUs and other emerging technologies such as energy storage. Alliant Energy's voluntary environmental-related goals and achievements include the following:

- Reduced air emissions for sulfur dioxide by 90%, nitrogen oxide by 80% and mercury by 90% from 2005 levels, which it achieved in 2019.
- By 2030, reduce CO2 emissions by 50% and water supply by 75% from 2005 levels from its owned fossil-fueled generation, as well as transition 100% of its light-duty fleet vehicles to be electric.
- By 2040, eliminate all coal-fired EGUs from its generating fleet.
- By 2050, achieve an aspirational goal of net-zero CO2 emissions from the electricity it generates.

Future updates to sustainable energy plans and attaining these goals will depend on future economic developments, evolving energy technologies and emerging trends in Alliant Energy’s service territories.

Renewable Generation

Alliant Energy’s cleaner energy strategy, or Clean Energy Blueprint, includes the planned development and acquisition of additional renewable energy, including approximately 1,000 MW of solar generation at WPL by the end of 2023, approximately 400 MW of solar generation by the end of 2023 at IPL and approximately 100 MW of distributed energy resources, including community solar and energy storage systems beginning in 2021 at IPL. Alliant Energy, IPL and WPL continue to evaluate additional opportunities to add more renewable generation, including repowering of existing wind farms and additional solar generation and distributed energy resources. Estimated capital expenditures for these planned projects for 2021 through 2024 are included in the “Renewable projects” line in the construction and acquisition table in “Liquidity and Capital Resources.” IPL and WPL currently assume that a portion of the construction costs for the new solar generation will be financed by a tax equity partner, which is discussed in “IPL and WPL Solar Project Tax Equity Credits” in “Liquidity and Capital Resources.” In addition, Alliant Energy completed the construction and acquisition of approximately 1,200 MW of wind generation in aggregate (approximately 1,000 MW at IPL and approximately 200 MW at WPL) from 2018 through 2020.

WPL’s Solar Generation - In May 2020, WPL filed a CA with the PSCW for approval to acquire, construct, own, and operate 675 MW of new solar generation in the following Wisconsin counties: Grant (200 MW in 2023), Sheboygan (150 MW in 2022), Wood (150 MW in 2022), Jefferson (75 MW in 2022), Richland (50 MW in 2022) and Rock (50 MW in 2023). The 675 MW of new solar generation would replace energy and capacity being eliminated with the planned retirement of the coal-fired Edgewater Generating Station (414 MW) by the end of 2022, and Columbia Unit 1 by the end of 2023 and Columbia Unit 2 by the end of 2024 (595 MW in aggregate). In addition, WPL currently expects to file a second CA with the PSCW in the first half of 2021 for approximately 325 MW of new solar generation. As a result of WPL’s neighboring utilities anticipated exercise of their options to purchase a partial ownership interest in West Riverside, WPL anticipates additional capacity needs by 2024.

IPL’s Solar Generation and Distributed Energy Resources - IPL’s plans include development and acquisition of up to 400 MW of solar generation by the end of 2023 and up to 100 MW of distributed energy resources, including community solar and energy storage systems beginning in 2021. IPL currently plans to file for advance rate-making principles for up to 400 MW of solar generation in the first half of 2021. The 400 MW of new solar generation would help replace a portion of the energy and capacity expected to be eliminated with the planned retirement of the coal-fired Lansing Generating Station (275 MW) by the end of 2022 and the expected reduction of energy and capacity resulting from the planned fuel switch of the Burlington Generating Station (212 MW) from coal to natural gas by the end of 2021.

IPL’s Expansion of Wind Generation - In 2016 and 2018, IPL received approvals from the IUB for advance rate-making principles for 1,000 MW of new wind generation. IPL completed the construction of various wind farms as follows:

Wind Site	Nameplate Capacity	In-service Date	Location
Upland Prairie	299 MW	March 2019	Clay and Dickinson Counties, Iowa
English Farms	172 MW	March 2019	Poweshiek County, Iowa
Whispering Willow North	201 MW	January 2020	Franklin County, Iowa
Golden Plains	200 MW	March 2020	Winnebago and Kossuth Counties, Iowa
Richland	131 MW	September 2020	Sac County, Iowa

WPL’s Expansion of Wind Generation - In October 2020, WPL completed the construction of the Kossuth wind farm (152 MW) in Kossuth County, Iowa, pursuant to approvals from the PSCW. In addition, WPL acquired a partial ownership interest in the assets of the Forward Wind Energy Center located in Wisconsin (59 MW) in 2018, pursuant to approvals from the PSCW and FERC.

Complementary Generation Investments

WPL’s Construction of West Riverside Natural Gas-fired Generating Station - In 2016, WPL received an order from the PSCW authorizing WPL to construct a 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 723 MW EGU was placed in service in May 2020. West Riverside replaces 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 WPL and MGE options is subject to PSCW approval, and the timing and ownership amounts of the options are as follows:

Counterparty	Option Amount and Timing
Wisconsin Public Service Corporation (WPSC)	Up to 200 MW may be exercised through May 2024 (no more than 100 MW to be acquired prior to May 2022) (a)
Madison Gas and Electric Company (MGE)	Up to 50 MW may be exercised through May 2025 (no more than 25 MW to be acquired prior to May 2022)
Electric cooperatives	Approximately 60 MW were 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.

Plant Retirements and Fuel Switching - The current strategy includes the retirement, or fuel switch from coal to natural gas, of various EGUs in the next several years. IPL currently expects to retire the coal-fired Lansing Generating Station (275 MW) by the end of 2022 and fuel switch the Burlington Generating Station (212 MW) from coal to natural gas by the end of 2021. WPL currently expects to retire the coal-fired Edgewater Generating Station (414 MW) by the end of 2022, Columbia Unit 1 by the end of 2023 and Columbia Unit 2 by the end of 2024. 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 3 for additional details on these EGUs, as well as 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 2021 through 2024 are included in the "Electric and gas distribution systems" lines in the construction and acquisition expenditures table in "Liquidity and Capital Resources."

Fiber Optic Telecommunication Network - Alliant Energy is currently installing fiber optic routes between its facilities to enhance its communications network to improve resiliency and reliability of, and enable and strengthen, the integrated grid network to help serve its customers.

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. In April 2020, WPL received authorization from the PSCW to expand its gas distribution system in Western Wisconsin, which was completed in November 2020.

Gas Pipeline Safety - In October 2019, the Pipeline and Hazardous Materials Safety Administration published a final rule that updates safety requirements for gas transmission pipelines, and various updated procedures were implemented in July 2020. Plans to address certain requirements for specific pipelines must be developed by July 2021, and remediation efforts must be completed by July 2035. In anticipation of these rule changes, Alliant Energy, IPL and WPL have been proactively replacing certain of IPL's transmission pipelines and making modifications to certain of WPL's transmission pipelines. Alliant Energy, IPL, and WPL also continue to evaluate the impact of this final rule and resulting remediation plans on their financial condition and results of operations.

Non-utility business - Alliant Energy continues to explore growth of its Travero businesses and other limited scope opportunities outside of, but complimentary to, Alliant Energy's core utility business. This non-utility strategy continues to evolve through exploration of modest strategic 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.

IPL's Retail Electric and Gas Rate Reviews (2020 Forward-looking Test Period) - In 2019, IPL filed retail electric and gas rate review requests with the IUB covering the 2020 forward-looking Test Period. In January 2020, IPL received an order from the IUB approving IPL's proposed settlement for its retail electric rate review. Final retail electric rates were effective February 26, 2020. In December 2019, IPL received an order from the IUB approving IPL's proposed settlement for its retail gas rate review. Final retail gas rates were effective January 10, 2020. Refer to Note 2 for details.

IPL currently expects to file a subsequent proceeding with the IUB in the second quarter of 2021 for its 2020 Forward-looking Test Period retail electric and gas rate reviews, which will compare actual revenues and costs to those initially forecasted by IPL. IPL currently does not expect any rate adjustments from the subsequent proceeding.

WPL's Retail Electric and Gas Rate Review (2021 Forward-looking Test Period) - In December 2020, the PSCW issued an order authorizing WPL to maintain its current retail electric and gas base rates, authorized return on common equity, regulatory capital structure and earnings sharing mechanism through the end of 2021. WPL will utilize anticipated fuel-related cost savings and excess deferred income tax benefits in 2021 to offset the revenue requirement impacts of increasing electric and gas rate base, including the Kossuth wind farm, which was placed in service in October 2020, and the expansion of its gas distribution system in Western Wisconsin, which was placed in service in November 2020.

Planned Rate Review - WPL currently expects to file a retail electric and gas rate review with the PSCW in the second quarter of 2021 for either a single or multiple year forward-looking test period. The key drivers for the anticipated filing include lower excess deferred income tax benefits in 2022 and revenue requirement impacts of increasing electric and gas rate base, including investments in solar generation. Any rate changes granted from this request are expected to be effective on January 1, 2022. WPL currently expects a decision from the PSCW regarding this rate filing by the end of 2021.

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 (2020 Test Period)					
Marshalltown (b)	IUB	\$559	11.00%	51.0%	2/26/2020
Emery (b)	IUB	165	12.23%	51.0%	2/26/2020
Whispering Willow - East (b)	IUB	163	11.70%	51.0%	2/26/2020
Renewable energy rider (c)	IUB	1,317	10.66%	51.0%	2/26/2020
Other (b)	IUB	3,767	9.50%	51.0%	2/26/2020
IPL Retail Gas (2020 Test Period) (b)	IUB	557	9.60%	51.0%	1/10/2020
IPL Wholesale Electric	FERC	145	10.97%	50.0%	1/1/2020
WPL Retail Electric and Gas					
Electric (2021 Test Period) (d)	PSCW	4,167	10.00%	52.5%	1/1/2021
Gas (2021 Test Period) (d)	PSCW	481	10.00%	52.5%	1/1/2021
WPL Wholesale Electric	FERC	296	10.90%	55.0%	1/1/2020

- (a) Authorized returns on common equity may not be indicative of actual returns earned or projections of future returns.
- (b) Average rate base amounts reflect IPL's allocated retail share of rate base and do not include CWIP, and were calculated using a forecasted 13-month average for the test period.
- (c) Average rate base amounts recovered through IPL's renewable energy rider mechanism include construction costs incurred to fund IPL's 1,000 MW of wind generation facilities placed in service in 2019 and 2020 (11.00% return on common equity), production tax credit carryforwards for the 1,000 MW of wind generation facilities (5.00% return on common equity) and certain transmission facilities classified as intangible assets (9.50% return on common equity), and were calculated using a 13-month average.
- (d) 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 period. 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 - Federal Tax Reform resulted in future benefits to customers as a result of remeasurement of accumulated deferred income taxes (approximately \$350 million for IPL and \$460 million for WPL of retail revenue requirement). The majority of these benefits are subject to tax normalization rules (protected benefits), which limit the rate at which they can be passed on to their electric and gas customers.

For those benefits that were not limited by tax normalization rules (the non-protected benefits), IPL began providing retail electric billing credits that will continue through June 2021, which include \$27 million of excess deferred tax benefits. After returning these benefits to customers, IPL is not expected to have any significant remaining non-protected benefits as a result of the original Federal Tax Reform impacts.

WPL provided non-protected benefits back to its retail electric and gas customers in 2019 and 2020. In 2020, WPL utilized approximately \$72 million to help maintain base rates at current levels and will utilize approximately \$113 million to help maintain base rates at current levels through 2021. The remaining non-protected benefits of approximately \$5 million will be addressed in WPL's future retail electric and gas rate reviews.

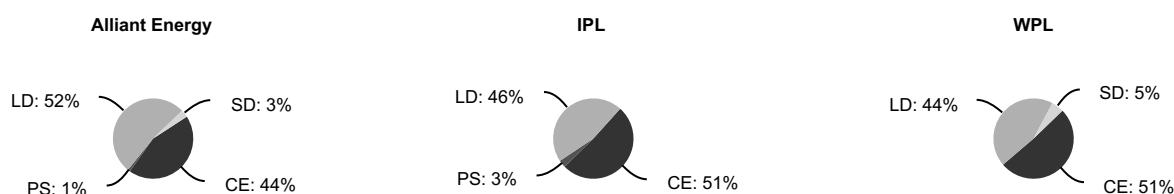
LIQUIDITY AND CAPITAL RESOURCES

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. As summarized below, Alliant Energy, IPL and WPL believe they have the ability to generate and obtain adequate amounts of cash to meet their requirements and plans for cash in the next 12 months and beyond.

COVID-19 and Derecho Windstorm Considerations - Refer to "Overview" in MDA for discussion of COVID-19 and the derecho windstorm and the impacts on Alliant Energy's, IPL's and WPL's liquidity and capital resources.

Liquidity Position - At December 31, 2020, Alliant Energy had \$54 million of cash and cash equivalents, \$611 million (\$318 million at the parent company, \$250 million at IPL and \$43 million at WPL) of available capacity under the single revolving credit facility and \$109 million of 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. Capital structures as of December 31, 2020 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 and solar construction that is expected to be financed by tax equity partners, regulatory orders and rate-making considerations, levels of debt imputed by rating agencies, market conditions, the impact of tax initiatives and legislation, and any potential 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, among others, 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; however, if customer arrears were to exceed certain levels, IPL's access to the program may be restricted.

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 generally 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	
	2020	2019	2020	2019	2020	2019
Cash, cash equivalents and restricted cash, January 1	\$18	\$26	\$9	\$12	\$4	\$9
Cash flows from (used for):						
Operating activities	501	660	(6)	173	466	423
Investing activities	(951)	(1,287)	(301)	(667)	(613)	(557)
Financing activities	488	619	348	491	146	129
Net increase (decrease)	38	(8)	41	(3)	(1)	(5)
Cash, cash equivalents and restricted cash, December 31	\$56	\$18	\$50	\$9	\$3	\$4

Operating Activities - The following items contributed to increased (decreased) operating activity cash flows for 2020 compared to 2019 (in millions):

	Alliant Energy	IPL	WPL
DAEC PPA amendment buyout payment in 2020 (Refer to Note 2)	(\$110)	(\$110)	\$—
Amounts issued to IPL's retail electric customers in 2020 through its transmission cost rider for amounts previously collected in rates (Refer to Note 2)	(42)	(42)	—
Timing of WPL's fuel-related cost recoveries from customers	(38)	—	(38)
Decreased collections from IPL's gas customers for energy efficiency amounts through the energy efficiency rider	(34)	(34)	—
Changes in cash collateral and deposit balances at Corporate Services	(24)	—	—
Decreased collections from IPL's and WPL's retail customers caused by temperature impacts on electric and gas sales	(19)	(14)	(5)
Changes in income taxes paid/refunded	(16)	(25)	42
Credits issued to IPL's retail electric customers in 2020 through its tax benefit rider related to excess deferred income taxes amortization	(15)	(15)	—
Changes in interest payments	(6)	(19)	1
Higher collections from IPL's retail electric and gas base rate increases	74	74	—
Changes in levels of production fuel	28	1	27
Refunds received in 2020 related to the MISO transmission owner return on equity complaint FERC orders (Refer to Note 17(g))	20	15	5
Other (primarily due to other changes in working capital)	23	(10)	11
	<u>(\$159)</u>	<u>(\$179)</u>	<u>\$43</u>

Income Tax Payments and Refunds - Income tax (payments) refunds, including refunds of alternative minimum tax credits, were as follows (in millions):

	2020	2019
IPL	(\$18)	\$7
WPL	13	(29)
Other subsidiaries	10	43
Alliant Energy	\$5	\$21

Alliant Energy, IPL and WPL currently do not expect to make any significant federal income tax payments through 2023 based on their current federal net operating loss and credit carryforward positions. While no significant federal income tax payments through 2023 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 \$39 million, \$17 million and \$18 million of pension plan contributions in 2021, respectively, based on the funded status and assumed return on assets for each plan as of the December 31, 2020 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 for 2020 compared to 2019 (in millions):

	Alliant Energy	IPL	WPL
Lower (higher) utility construction and acquisition expenditures (a)	\$246	\$333	(\$87)
Changes in the amount of cash receipts on sold receivables	45	45	—
Refund from ATC in 2020 for construction deposits WPL previously provided to ATC for transmission network upgrades for West Riverside	42	—	42
Expenditures for new acquisitions at AEF in 2019	13	—	—
Other	(10)	(12)	(11)
	<u>\$336</u>	<u>\$366</u>	<u>(\$56)</u>

(a) Largely due to lower expenditures for IPL's expansion of wind generation, WPL's West Riverside Energy Center and IPL's advanced metering infrastructure, partially offset by higher expenditures for IPL's and WPL's electric and gas distribution systems (which include the derecho windstorm) and WPL's expansion of wind generation.

Construction and Acquisition Expenditures - Construction and acquisition expenditures and financing plans are reviewed, approved and updated as part of the strategic 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 and improvements to ensure reliability of the electric and gas distribution systems. 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 do not reflect the assumption that a portion of the construction is expected to be financed by tax equity partners, which is described in more detail below in "IPL and WPL Solar Project Tax Equity Credits." 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			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Generation:												
Renewable projects	\$485	\$750	\$635	\$320	\$45	\$270	\$270	\$50	\$440	\$480	\$365	\$270
Other	90	180	175	90	45	135	135	55	45	45	40	35
Distribution:												
Electric systems	470	435	535	695	240	225	290	375	230	210	245	320
Gas systems	70	75	70	70	35	40	30	30	35	35	40	40
Other	180	185	190	195	10	10	10	25	15	10	10	10
	<u>\$1,295</u>	<u>\$1,625</u>	<u>\$1,605</u>	<u>\$1,370</u>	<u>\$375</u>	<u>\$680</u>	<u>\$735</u>	<u>\$535</u>	<u>\$765</u>	<u>\$780</u>	<u>\$700</u>	<u>\$675</u>

West Riverside Options - WPL entered into agreements with neighboring utilities that provide them options to purchase a partial ownership interest in West Riverside. If such options are exercised, WPL will receive proceeds from the sale. Refer to "Customer Investments" for additional information, including the timing for the potential exercise of options.

Financing Activities - The following items contributed to increased (decreased) financing activity cash flows for 2020 compared to 2019 (in millions):

	Alliant Energy	IPL	WPL
Lower (higher) payments to retire long-term debt	(\$401)	(\$200)	\$100
Lower net proceeds from common stock issuances	(143)	—	—
Higher common stock dividends	(40)	(68)	(16)
Higher (lower) net proceeds from issuance of long-term debt	300	(200)	—
Net changes in the amount of commercial paper outstanding	156	50	26
Higher (lower) capital contributions from IPL's and WPL's parent company, Alliant Energy	—	279	(100)
Other	(3)	(4)	7
	<u>(\$131)</u>	<u>(\$143)</u>	<u>\$17</u>

IPL and WPL Solar Project Tax Equity Credits - IPL and WPL each propose to own and operate their planned solar projects, which are currently expected to qualify for 30% investment tax credits, through a tax equity partnership, with approximately 35% to 45% of the construction costs financed with capital from the tax equity partner. This would allow IPL's and WPL's customers to share the costs of the solar projects with an investment partner for 10 years or less, while ensuring their customers receive energy, capacity, and renewable energy credit benefits from the projects. IPL and WPL would expect to purchase the tax equity partner's interest in the solar projects within 10 years of operation, and then convert to a traditional ownership structure for the remainder of the useful life of the projects. Assuming a portion of the construction costs are financed by the tax equity partner, IPL would receive approximately \$205 million from the tax equity partner in 2023, and WPL would receive approximately \$210 million in 2022 and \$275 million in 2023. IPL and WPL would expect to include their portion of capital expenditures, less the amounts financed by the tax equity partner, in their respective rate base.

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 2019, IPL received authorization from FERC to issue securities in 2020 and 2021 as follows (in millions):

	Initial Authorization	Remaining Capacity as of December 31, 2020
Long-term debt securities issuances in aggregate	\$700	\$300
Short-term debt securities outstanding at any time (including borrowings from its parent)	400	400
Preferred stock issuances in aggregate	300	300

State Regulatory Financing Authorizations - In 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. In September 2020, WPL received authorization from the PSCW to issue up to \$1 billion of long-term debt securities in aggregate through December 2023.

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 2023. 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 and is dependent upon, among other factors, regulatory limitations, earnings, cash flows, capital requirements and general financial condition of subsidiaries. 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. Refer to "Results of Operations" for discussion of expected common stock dividends in 2021.

Common Stock Issuances - Refer to Note 7 for discussion of common stock issuances by Alliant Energy in 2019 and 2020, and "Results of Operations" for discussion of expected issuances of common stock in 2021.

Short-term Debt - In 2017, Alliant Energy, IPL and WPL entered into a single revolving credit facility agreement, which expires in August 2023 and is discussed in Note 9(a). There are currently 13 lenders that participate in the credit facility, with respective commitments ranging from \$20 million to \$130 million. Subject to certain conditions, Alliant Energy, IPL and WPL may exercise one extension option, 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 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.

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, 2020 were as follows:

	Alliant Energy	IPL	WPL
Requirement, not to exceed	65%	65%	65%
Actual	55%	46%	50%

The debt component of the capital ratios includes, when applicable, 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), finance 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).

Long-term Debt - Refer to Note 9(b) for discussion of issuances and retirements of long-term debt in 2020 and "Results of Operations" for discussion of expected issuances of long-term debt in 2021. In 2019, IPL issued \$300 million of 3.6% senior debentures (green bonds) due 2029 and \$300 million of 3.5% senior debentures (green bonds) due 2049. In 2019, WPL issued \$350 million of 3% debentures due 2029, and a portion of the proceeds from the issuance was used by WPL to refinance its \$250 million 5% debentures that matured in 2019.

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 any exposure, or may need to unwind contracts or pay underlying obligations. 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-	Baa2
	Commercial paper	A-2	P-2
	Senior unsecured long-term debt	N/A	N/A
	Outlook	Stable	Stable
IPL:	Corporate/issuer	A-	Baa1
	Commercial paper	A-2	P-2
	Senior unsecured long-term debt	A-	Baa1
	Preferred stock	BBB	Baa3
	Outlook	Stable	Stable
WPL:	Corporate/issuer	A	A3
	Commercial paper	A-1	P-2
	Senior unsecured long-term debt	A	A3
	Outlook	Stable	Stable

Standard & Poor's Ratings Services and Moody's Investors Service issued credit ratings of BBB+ and Baa2, respectively, for the senior notes issued by AEF in 2018 and 2020 (with Alliant Energy as guarantor). 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. The purchase commitment from the third party to which IPL sells its receivables expires in March 2021. IPL currently expects to amend and extend the purchase commitment. In 2020 and 2019, 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, 2020, various guarantees and indemnifications are outstanding related to Alliant Energy's cash equity ownership interest in a non-utility wind farm and prior divestiture activities. Refer to Note 17(d) for additional information.

Certain Financial Commitments -

Contractual Obligations - Alliant Energy, IPL and WPL have various long-term contractual obligations as of December 31, 2020, which include long-term debt maturities in Note 9(b), operating leases in Note 10, capital purchase obligations in Note 17(a), and other purchase obligations in Note 17(b). At December 31, 2020, 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. Refer to "Construction and Acquisition Expenditures" above for additional information on construction and acquisition programs. In addition, at December 31, 2020, 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.

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 amounts outstanding under IPL's sales of accounts receivable program at December 31, 2020, Alliant Energy's, IPL's and WPL's annual pre-tax expense would increase by approximately \$7 million, \$0 and \$3 million, respectively. Refer to Notes 5(b) and 9 for additional information on cash amounts 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(o) for discussion of new accounting standards impacting Alliant Energy, IPL and WPL.

Critical Accounting Policies and Estimates - Alliant Energy's financial statements are prepared in conformity with GAAP, which requires management to apply accounting policies, judgments and assumptions, 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 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 estimates used in the preparation of the financial statements.

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, 2020.

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 2020 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. 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, 2020. 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. Taxable income must be reduced by federal net operating losses carryforwards prior to utilizing federal tax credit carryforwards. Alliant Energy does not expect to utilize all of its federal net operating loss carryforwards until 2023, and therefore, currently does not expect to utilize 2002 vintage federal credit carryforwards prior to their expiration in 2022, resulting in valuation allowances that remain as of December 31, 2020. Refer to Note 12 for discussion of expected utilization of 2003 vintage federal credit carryforwards prior to their expiration in 2023, which resulted in the reversal of previously recorded valuation allowances in 2020. Federal credit carryforwards generated from 2003 through 2009, which amount to \$17 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.

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 not be recoverable 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 - Alliant Energy's, IPL's and WPL's long-lived assets within their regulated operations that were assessed for impairment and plant abandonment in 2020 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.

Alliant Energy and IPL concluded that Lansing, and Alliant Energy and WPL concluded that Edgewater Unit 5, met the criteria to be considered probable of abandonment in 2020. IPL and WPL are currently allowed a full recovery of and a full return on its respective EGU from both its retail and wholesale customers, and as a result, Alliant Energy, IPL and WPL concluded that no impairment was required as of December 31, 2020. 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, 2020. Note 3 provides additional details of these assets anticipated to be retired early.

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 is based on estimates of daily system demand volumes, 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, 2020, unbilled revenues related to Alliant Energy's utility operations were \$174 million (\$92 million at IPL and \$82 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, 2020	Impact on 2021 Net Periodic Benefit Costs	Impact on Accumulated Benefit Obligation at December 31, 2020	Impact on 2021 Net Periodic Benefit Costs
Alliant Energy				
1% change in discount rate	\$183	\$11	\$22	\$2
1% change in expected rate of return	N/A	10	N/A	1

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.

Effective January 1, 2020 upon the adoption of the new accounting standard for credit losses, certain contingencies, such as Alliant Energy Resources, LLC's guarantees of the partnership obligations of an affiliate of Whiting Petroleum, require estimation each reporting period of the expected credit losses on those contingencies. These estimates require significant judgment and result in recognition of a credit loss liability sooner than the previous accounting standards, which required recognition when the contingency became probable and could be reasonably estimated based on then currently available information. With respect to Alliant Energy's guarantees of the partnership obligations of an affiliate of Whiting Petroleum, the most significant judgments in determining the credit loss liability were the estimate of the exposure under the guarantees and the methodology used for calculating the credit loss liability. As of December 31, 2020, Alliant Energy currently estimates the exposure to be a portion of the known partnership abandonment obligations. The methodology used to determine the credit loss liability considers both quantitative and qualitative information, which utilizes potential outcomes in a range of possible estimated amounts. Factors considered include market and external data points, the creditworthiness of the other partners, Whiting Petroleum's emergence from bankruptcy in the third quarter of 2020, and forecasted cash flow expenditures associated with the abandonment obligations based on information made available to Alliant Energy. Note 1(o) provides discussion of the adoption of the new accounting standard for credit losses.

Note 17 provides further discussion of contingencies assessed at December 31, 2020 that may have a material impact on financial condition and results of operations, including impacts to Alliant Energy's ATC Holdings equity earnings as a result of future changes in FERC's evaluation of certain MISO return on equity complaints, various pending legal proceedings, guarantees and indemnifications.

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, 2020 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, 2020, 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, 2020, 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, 2020, 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, 2020, of the Company and our report dated February 19, 2021, expressed an unqualified opinion on those financial statements.

Basis for Opinion

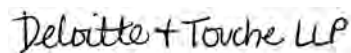
The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our 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.

The logo for Deloitte + Touche LLP, featuring the company name in a stylized, handwritten-style font.

Milwaukee, Wisconsin
February 19, 2021

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, 2020 and 2019, the related consolidated statements of income, equity, and cash flows, for each of the three years in the period ended December 31, 2020, 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, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, 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, 2020, 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 19, 2021, expressed an unqualified opinion on the Company’s internal control over financial reporting.

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 audits 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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Regulatory Liabilities – Impact of rate regulation on the financial statements – Refer to Notes 1 and 2 to the financial statements

Critical Audit Matter Description

Alliant Energy Corporation, through its wholly-owned subsidiaries Interstate Power and Light Company and Wisconsin Power and Light Company, is subject to rate regulation by the Federal Energy Regulatory Commission and the respective state commissions in Iowa and Wisconsin (collectively the “regulatory agencies”). Management has determined it meets the requirements under accounting principles generally accepted in the United States of America to prepare its financial statements applying the Regulated Operations Topic 980 of the Financial Accounting Standards Board’s Accounting Standards Codification. As of December 31, 2020, the Company had a recorded consolidated regulatory assets balance of \$2,010 million and regulatory liabilities balance of 1,306 million.

The Company's rates are subject to regulatory rate-setting processes and annual earnings oversight. The regulation of rates is premised on the full recovery of prudently incurred costs and a reasonable rate of return on invested capital. Regulatory assets represent incurred costs that have been deferred and are probable of recovery in future customer rates. Regulatory liabilities represent obligations to make refunds to customers or amounts collected in rates for which the costs have not yet been incurred. The Company's regulatory assets and regulatory liabilities are recognized in accordance with the rulings of the regulatory agencies. A change in these rulings may result in a material impact on results of operations and the amount of assets and liabilities in the financial statements. Future regulatory rulings may impact the carrying value and accounting treatment of the regulatory assets and regulatory liabilities.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management to support its assertions about impacted account balances and disclosures and the high degree of subjectivity involved in assessing the impact of future regulatory orders on the financial statements. Management judgments include assessing the likelihood of the recovery of incurred costs and refund of obligations to customers in future rates. Given that management's accounting judgments are based on assumptions about the outcome of future decisions by the regulatory agencies, auditing these judgments required specialized knowledge of accounting for rate regulation and the rate-setting process due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the regulatory filings by management and the uncertainty of future decisions by the regulatory agencies included the following, among others:

- We tested the design and operating effectiveness of management's controls over the evaluation of regulatory assets and liabilities, including the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.
- We inspected the Company's analysis supporting the probability of recovery for regulatory assets or refund or future reduction in rates for regulatory liabilities not yet addressed in a regulatory order to assess the reasonability of management's assertions.
- We inquired of management regarding current events impacting the Company and inspected minutes of the board of directors and other committees of the Company and evaluated whether matters were identified that may have an impact on recorded regulatory asset and liability balances.
- We read relevant regulatory orders, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information issued by the regulatory agencies that pertain to the Company as well as to other relevant public utilities. We evaluated the external information and assessed whether there were matters in such information that would be contradictory to the assessment of recovery of the Company's regulatory assets or refund of regulatory liabilities.
- We obtained representation letters from management and evaluated such letters to assess whether information was present that would be relevant to the assessment of recovery of the Company's regulatory assets or refund of regulatory liabilities.
- We evaluated the Company's disclosures related to the impacts of rate regulation and regulatory developments, including disclosures related to the regulatory balances recorded.

Deloitte + Touche LLP

Milwaukee, Wisconsin
February 19, 2021

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

CONSOLIDATED FINANCIAL STATEMENTS

**ALLIANT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME**

Year Ended December 31,
2020 2019 2018
(in millions, except per share amounts)

Revenues:			
Electric utility	\$2,920	\$3,064	\$3,000
Gas utility	373	455	447
Other utility	49	46	48
Non-utility	74	83	39
Total revenues	3,416	3,648	3,534
Operating expenses:			
Electric production fuel and purchased power	652	777	855
Electric transmission service	449	481	496
Cost of gas sold	182	222	232
Other operation and maintenance	670	712	646
Depreciation and amortization	615	567	507
Taxes other than income taxes	108	111	104
Total operating expenses	2,676	2,870	2,840
Operating income	740	778	694
Other (income) and deductions:			
Interest expense	275	273	247
Equity income from unconsolidated investments, net	(61)	(53)	(55)
Allowance for funds used during construction	(55)	(93)	(76)
Other	14	15	8
Total other (income) and deductions	173	142	124
Income before income taxes	567	636	570
Income tax expense (benefit)	(57)	69	48
Net income	624	567	522
Preferred dividend requirements of Interstate Power and Light Company	10	10	10
Net income attributable to Alliant Energy common shareowners	\$614	\$557	\$512
Weighted average number of common shares outstanding:			
Basic	248.4	238.5	233.6
Diluted	248.7	239.0	233.6
Earnings per weighted average common share attributable to Alliant Energy common shareowners:			
Basic	\$2.47	\$2.34	\$2.19
Diluted	\$2.47	\$2.33	\$2.19

Refer to accompanying Notes to Consolidated Financial Statements.

**ALLIANT ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS**

December 31,
2020 2019
(in millions, except per
share and share amounts)

ASSETS		
Current assets:		
Cash and cash equivalents	\$54	\$16
Accounts receivable, less allowance for expected credit losses	412	402
Production fuel, at weighted average cost	66	78
Gas stored underground, at weighted average cost	46	49
Materials and supplies, at weighted average cost	105	100
Regulatory assets	81	87
Other	123	144
Total current assets	887	876
Property, plant and equipment, net	14,336	13,527
Investments:		
ATC Holdings	331	320
Other	154	148
Total investments	485	468
Other assets:		
Regulatory assets	1,929	1,758
Deferred charges and other	73	72
Total other assets	2,002	1,830
Total assets	\$17,710	\$16,701
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$8	\$657
Commercial paper	389	337
Accounts payable	377	422
Accrued taxes	67	70
Regulatory liabilities	249	212
Other	207	356
Total current liabilities	1,297	2,054
Long-term debt, net (excluding current portion)	6,769	5,533
Other liabilities:		
Deferred tax liabilities	1,814	1,714
Regulatory liabilities	1,057	1,212
Pension and other benefit obligations	511	484
Other	374	299
Total other liabilities	3,756	3,709
Commitments and contingencies (Note 17)		
Equity:		
Alliant Energy Corporation common equity:		
Common stock - \$0.01 par value - 480,000,000 shares authorized; 249,868,415 and 245,022,800 shares outstanding	2	2
Additional paid-in capital	2,704	2,446
Retained earnings	2,994	2,766
Accumulated other comprehensive income (loss)	(1)	1
Shares in deferred compensation trust - 380,542 and 381,232 shares at a weighted average cost of \$28.73 and \$26.24 per share	(11)	(10)
Total Alliant Energy Corporation common equity	5,688	5,205
Cumulative preferred stock of Interstate Power and Light Company	200	200
Total equity	5,888	5,405
Total liabilities and equity	\$17,710	\$16,701

Refer to accompanying Notes to Consolidated Financial Statements.

ALLIANT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,

2020	2019	2018
(in millions)		

Cash flows from operating activities:			
Net income	\$624	\$567	\$522
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	615	567	507
Deferred tax expense (benefit) and tax credits	(66)	56	67
Equity component of allowance for funds used during construction	(39)	(66)	(51)
Other	37	20	8
Other changes in assets and liabilities:			
Accounts receivable	(468)	(472)	(475)
Regulatory assets	(130)	(16)	(16)
Regulatory liabilities	(113)	(40)	1
Deferred income taxes	171	54	56
DAEC PPA amendment buyout payment	(110)	—	—
Other	(20)	(10)	(91)
Net cash flows from operating activities	501	660	528
Cash flows used for investing activities:			
Construction and acquisition expenditures:			
Utility business	(1,293)	(1,539)	(1,569)
Other	(73)	(101)	(65)
Cash receipts on sold receivables	458	413	605
Other	(43)	(60)	(38)
Net cash flows used for investing activities	(951)	(1,287)	(1,067)
Cash flows from financing activities:			
Common stock dividends	(377)	(337)	(312)
Proceeds from issuance of common stock, net	247	390	197
Proceeds from issuance of long-term debt	1,250	950	1,500
Payments to retire long-term debt	(657)	(256)	(856)
Net change in commercial paper and other short-term borrowings	52	(104)	26
Other	(27)	(24)	(24)
Net cash flows from financing activities	488	619	531
Net increase (decrease) in cash, cash equivalents and restricted cash	38	(8)	(8)
Cash, cash equivalents and restricted cash at beginning of period	18	26	34
Cash, cash equivalents and restricted cash at end of period	\$56	\$18	\$26
Supplemental cash flows information:			
Cash (paid) refunded during the period for:			
Interest	(\$274)	(\$268)	(\$247)
Income taxes, net	\$5	\$21	(\$5)
Significant non-cash investing and financing activities:			
Accrued capital expenditures	\$131	\$196	\$299
Beneficial interest obtained in exchange for securitized accounts receivable	\$188	\$188	\$119

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)							
2018:							
Beginning balance	\$2	\$1,845	\$2,346	\$—	(\$11)	\$200	\$4,382
Net income attributable to Alliant Energy common shareowners			512				512
Common stock dividends (\$1.34 per share)			(312)				(312)
At-the-market offering program and Shareowner Direct Plan issuances		197					197
Equity-based compensation plans and other		4			1		5
Other comprehensive income, net of tax				2			2
Ending balance	2	2,046	2,546	2	(10)	200	4,786
2019:							
Net income attributable to Alliant Energy common shareowners			557				557
Common stock dividends (\$1.42 per share)			(337)				(337)
Equity forward settlements and Shareowner Direct Plan issuances		390					390
Equity-based compensation plans and other		10					10
Other comprehensive loss, net of tax				(1)			(1)
Ending balance	2	2,446	2,766	1	(10)	200	5,405
2020:							
Net income attributable to Alliant Energy common shareowners			614				614
Common stock dividends (\$1.52 per share)			(377)				(377)
Equity forward settlements and Shareowner Direct Plan issuances		247					247
Equity-based compensation plans and other		11			(1)		10
Adoption of new accounting standard, net of tax (refer to Note 1(o))			(9)				(9)
Other comprehensive loss, net of tax				(2)			(2)
Ending balance	\$2	\$2,704	\$2,994	(\$1)	(\$11)	\$200	\$5,888

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 Traverco (formerly known as Transportation), ATI, a non-utility wind farm, the Sheboygan Falls Energy Facility and other non-utility holdings. Traverco includes a short-line rail freight service in Iowa; a barge, rail and truck freight terminal on the Mississippi River; and freight brokerage and logistics management 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.

In March 2020, COVID-19 was declared a global pandemic, which has resulted in widespread travel restrictions, closures of commercial spaces and industrial facilities, and more people working from home in Alliant Energy's service territories. For 2020, Alliant Energy, IPL and WPL considered the impact of COVID-19 on their overall business operations, financial condition, results of operations and cash flows, along with assumptions and estimates used. While the total expected impact of COVID-19 on future sales is currently unknown, Alliant Energy, IPL and WPL have experienced higher electric residential sales and lower electric commercial and industrial sales since the outset of the pandemic. The degree to which the COVID-19 pandemic may impact Alliant Energy, IPL and WPL in the future is currently unknown and will depend on future developments of the pandemic as well as possible additional actions by government and regulatory authorities.

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 that Alliant Energy and WPL do not control 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.

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 and allowed unutilized alternative minimum tax credits to be refunded over four tax years beginning with the U.S. federal tax return for calendar year 2018. Pursuant to the Coronavirus Aid, Relief, and Economic Security Act, Alliant Energy received the remaining alternative minimum tax credits refunds in 2020. 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, 2020, Alliant Energy's and IPL's cash and cash equivalents included \$44 million and \$44 million of money market fund investments, with interest rates of 0.04% and 0.04%, respectively. At December 31, 2020 and 2019, restricted cash primarily related to 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		
	2020	2019	2018	2020	2019	2018
Electric - generation	3.5%	3.8%	3.6%	3.5%	3.6%	3.6%
Electric - distribution	2.8%	2.9%	2.8%	2.6%	2.6%	2.6%
Electric - other	5.2%	5.3%	4.7%	6.1%	5.8%	5.7%
Gas	3.3%	3.3%	3.2%	2.4%	2.5%	2.5%
Other	6.3%	5.9%	5.2%	5.9%	5.6%	5.8%

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:

	2020	2019	2018
IPL (Wind generation CWIP)	7.1%	7.4%	7.5%
IPL (other CWIP)	7.2%	7.5%	7.5%
WPL (retail jurisdiction)	7.0%	6.8%	7.7%
WPL (wholesale jurisdiction)	6.3%	6.9%	7.2%

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 then 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 component 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, 2020, 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 Travero 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 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 periodic 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 energy efficiency and demand response cost recovery factor tariffs, which are revised annually and include 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.

Renewable Energy Rider - Effective with the implementation of final rates covering the 2020 forward-looking Test Period, IPL recovers a return of, as well as earn a return on, its new wind generation placed in service in 2019 and 2020 from its retail electric customers through a renewable energy rider. Other applicable costs and tax benefits associated with the new wind generation, excluding operation and maintenance expenses, are also included in the rider. This cost recovery mechanism provides for annual adjustments to electric rates charged to IPL's retail electric customers for actual renewable energy costs and tax benefits. Changes in the under-/over-collection of these costs are recognized in "Electric utility revenue" in Alliant Energy's income statements. The cumulative effects of the under-/over-collection of these costs for IPL are recorded in regulatory assets or regulatory liabilities on Alliant Energy's 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 qualified for and were designated under the normal purchase and sale exception, and were 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 or 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 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 sheets 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) Current Expected Credit Losses Estimates - Current expected credit losses are estimated for trade and other receivables and credit exposures on guarantees of the performance by third parties. The current expected credit losses for short-term trade receivables are based on estimates of losses resulting from the inability of customers to make required payments. The methodology used to estimate losses is based on historical write-offs, regional economic conditions, significant events that could impact collectability, such as impacts related to COVID-19, the derecho windstorm and related regulatory actions, and forecasted changes to the accounts receivable aging portfolio and write-offs. The current expected credit losses related to guarantees of the performance by third parties are estimated using both quantitative and qualitative information, which utilizes potential outcomes in a range of possible estimated amounts.

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) Leases - The determination of whether an arrangement qualifies as a lease occurs at the inception of the arrangement. Arrangements that qualify as leases are classified as either operating or finance. Operating and finance lease liabilities represent obligations to make payments arising from the lease. Operating and finance lease assets represent the right to use an underlying asset for the lease term and are recognized at the lease commencement date based on the present value of the lease payments over the lease term. Leases with initial terms less than 12 months are not recognized as leases. For operating leases, an incremental borrowing rate, as determined at the lease commencement date, is used to determine the present value of the lease payments. For finance leases, the rate implicit in the lease, if known, is used to determine the present value of the lease payments. Lease terms include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating lease expense is recognized on a straight-line basis over the expected lease term. Finance lease expense is comprised of depreciation and interest expenses. Finance lease assets are depreciated on a straight-line basis over the shorter of the useful life of the underlying asset or the lease term.

NOTE 1(o) New Accounting Standards -

Credit Losses - In 2016, the Financial Accounting Standards Board issued an accounting standard requiring use of a current expected credit loss model rather than an incurred loss method, which is intended to result in more timely recognition of credit losses on trade receivables, certain other assets and off-balance sheet credit exposures. Alliant Energy, IPL and WPL adopted this standard on January 1, 2020 using a modified retrospective method of adoption, which required cumulative effect adjustments to retained earnings on January 1, 2020. IPL and WPL did not record a cumulative effect adjustment to retained earnings and Alliant Energy recorded a pre-tax \$12 million (after-tax \$9 million) cumulative effect adjustment to decrease retained earnings related to Alliant Energy's guarantees in the partnership obligations of an affiliate of Whiting Petroleum (refer to Note 17(d) for further discussion). This adjustment is included in "Adoption of new accounting standard" in Alliant Energy's equity statement for 2020.

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, 2020 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	
	2020	2019	2020	2019	2020	2019
Tax-related	\$890	\$818	\$843	\$777	\$47	\$41
Pension and OPEB costs	580	524	291	263	289	261
AROs	119	112	81	76	38	36
Assets retired early	113	134	77	88	36	46
IPL's DAEC PPA amendment	110	108	110	108	—	—
WPL's Western Wisconsin gas distribution expansion investments	55	—	—	—	55	—
Derivatives	26	39	13	18	13	21
Other	117	110	68	70	49	40
	<u>\$2,010</u>	<u>\$1,845</u>	<u>\$1,483</u>	<u>\$1,400</u>	<u>\$527</u>	<u>\$445</u>

At December 31, 2020, IPL and WPL had \$81 million and \$11 million, respectively, of regulatory assets that were not earning a return. IPL's regulatory assets that were not earning a return consisted primarily of retired analog electric meters, emission allowances, clean air compliance projects and debt redemption costs. WPL's regulatory assets that were not earning a return

consisted primarily of costs for future expansion projects and environmental-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 lowa 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 income 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.

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.

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.

Assets retired early - IPL and WPL have retired various natural gas- and coal-fired EGUs, and IPL has retired certain analog electric meters. As a result, the remaining net book value of these assets was reclassified from property, plant and equipment to a regulatory asset on the balance sheets. Details regarding the recovery of the remaining net book value of these assets from IPL's and WPL's customers are as follows (dollars in millions):

Entity	Asset	Retirement Date	Regulatory Asset Balance as of Dec. 31, 2020	Recovery	Regulatory Approval
IPL	Sutherland Units 1 and 3	2017	\$23	Return of and return on remaining net book value through 2027	IUB and FERC
IPL	M.L. Kapp Unit 2	2018	21	Return of and return on remaining net book value through 2029	IUB and FERC
IPL	Analog electric meters	2019	33	Return of remaining net book value through 2028	IUB and FERC
WPL	Nelson Dewey Units 1 and 2 and Edgewater Unit 3	2015	13	Return of and return on remaining net book value through 2022	PSCW and FERC
WPL	Edgewater Unit 4	2018	23	Return of and return on remaining net book value through 2028	PSCW and FERC

IPL's DAEC PPA Amendment - In September 2020, IPL made a buyout payment of \$110 million in exchange for shortening the term of its DAEC PPA by 5 years. The payment was recorded as a reduction to "Other current liabilities" on Alliant Energy's balance sheets and was included in "DAEC PPA amendment buyout payment" in Alliant Energy's cash flows used for operating activities in 2020. The buyout payment, including a return on, will be recovered from IPL's retail and wholesale customers from 2021 through the end of 2025.

WPL's Western Wisconsin gas distribution expansion investments - WPL made contributions in aid of construction to a third party for investments as part of its Western Wisconsin gas distribution expansion project. Pursuant to authorization by the PSCW, Alliant Energy and WPL have recorded a regulatory asset for these costs, and are authorized by the PSCW to recover these amounts from WPL's retail gas customers in base rates beginning in 2021.

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.

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

	Alliant Energy		IPL		WPL	
	2020	2019	2020	2019	2020	2019
Tax-related	\$732	\$836	\$331	\$351	\$401	\$485
Cost of removal obligations	367	388	238	257	129	131
Electric transmission cost recovery	68	88	39	51	29	37
WPL's West Riverside liquidated damages	38	—	—	—	38	—
Derivatives	28	20	25	17	3	3
Other	73	92	43	39	30	53
	<u>\$1,306</u>	<u>\$1,424</u>	<u>\$676</u>	<u>\$715</u>	<u>\$630</u>	<u>\$709</u>

Tax-related regulatory liabilities reduce revenue requirement calculations utilized in IPL's and WPL's respective rate proceedings. Cost of removal obligations, to the extent expensed through depreciation rates, reduce rate base. A significant portion of the remaining regulatory liabilities is 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. The majority 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. Cash payments related to cost of removal obligations are included in "Other" in cash flows used for investing activities.

Electric transmission cost recovery - Refer to Note 1(g) for details of IPL's and WPL's electric transmission cost recovery mechanisms. In 2020, pursuant to a June 2020 IUB order, IPL issued \$42 million of credits to its retail electric customers through its transmission cost rider for amounts previously collected in rates, which resulted in a reduction in regulatory liabilities and a corresponding reduction to "Electric transmission service" expense in Alliant Energy's and IPL's income statements during 2020.

Refer to Note 17(g) for discussion of refunds received by IPL and WPL in 2020 related to MISO transmission owner return on equity complaints, which were recorded to regulatory liabilities in 2020.

WPL's West Riverside liquidated damages - Pursuant to terms included in the related West Riverside construction procurement contracts, WPL reached agreement with the contractor on liquidated damages in 2020. A significant portion of the liquidated damages was settled by WPL offsetting amounts owed to the contractor that were previously withheld for payment, which were non-cash investing activities. In December 2020, the PSCW authorized WPL to record the liquidated damages as a regulatory liability, which is expected to be returned to WPL's customers as determined in future regulatory proceedings.

Derecho Windstorm - In August 2020, a derecho windstorm caused considerable damage to IPL's electric distribution system in its service territory, and over 250,000 of its customers lost power. IPL completed its initial restoration and rebuilding efforts in August 2020 and permanent repairs to the system will continue into 2021. IPL's current estimate of the total cost of the windstorm is approximately \$140 million, and as of December 31, 2020, approximately \$135 million was recorded substantially to "Property, plant and equipment, net" on Alliant Energy's balance sheet. In December 2020, IPL received approval from the IUB for utilization of a regulatory account to track certain incremental costs and benefits incurred resulting from the windstorm until IPL's next rate proceeding. Tax benefits and the incremental operation and maintenance expenses resulting from the windstorm were deferred and recorded as a net regulatory liability of \$7 million as of December 31, 2020, which is included in "Other" regulatory liabilities in the above table.

Rate Reviews -

IPL's Retail Electric Rate Review (2020 Forward-looking Test Period) - In March 2019, IPL filed a request with the IUB to increase annual electric base rates for its Iowa retail electric customers based on a 2020 forward-looking Test Period. The key drivers for IPL's request included recovery of capital projects, including new wind generation. IPL concurrently filed for interim retail electric rates based on 2018 historical data as adjusted for certain known and measurable changes occurring in the first quarter of 2019. An interim retail electric base rate increase of \$90 million, on an annual basis, was implemented effective April 1, 2019. In October 2019, IPL reached a settlement agreement with certain intervenor groups for an annual retail electric base rate increase of \$127 million. In January 2020, the IUB issued an order approving the settlement with final rates, which were effective February 26, 2020. The agreement includes both the recovery of and a return on IPL's early retired EGUs, and the recovery of IPL's retired analog electric meters. In addition, as discussed in Note 1(g), the net impact of certain costs and benefits resulting from IPL's 1,000 MW expansion of wind generation in 2019 and 2020 is being recovered from its retail electric customers through the renewable energy rider. The agreement also includes IPL providing retail electric billing credits,

which began in the third quarter of 2020 and will continue through June 2021, and in aggregate include \$27 million of excess deferred tax benefits and \$8 million from a partial refund of interim rates implemented in 2019.

IPL's Retail Gas Rate Review (2020 Forward-looking Test Period) - In March 2019, IPL filed a request with the IUB to increase annual gas base rates for its Iowa retail gas customers based on a 2020 forward-looking Test Period. In October 2019, IPL reached a settlement agreement with intervenor groups for an annual retail gas base rate increase of \$12 million. In December 2019, the IUB issued an order approving the settlement with final rates, which were effective January 10, 2020.

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 based on a 2016 historical Test Year. An interim retail electric base rate increase of \$102 million, on an annual basis, was implemented effective April 13, 2017. In September 2017, IPL reached a partial, non-unanimous settlement agreement with intervenor groups for an annual retail electric base rate increase of \$130 million. In February 2018, the IUB issued an order approving the settlement with final rates effective May 1, 2018.

WPL's Retail Electric and Gas Rate Review (2019/2020 Forward-looking 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 intervenor groups. Under the settlement, WPL retail electric and gas base rates did not change from then current levels through the end of 2020. In September 2020, pursuant to an August 2020 PSCW order, WPL refunded \$12 million of 2019 fuel-related cost over-collections to its retail electric customers. In addition, WPL's amortization of excess deferred taxes resulting from the remeasurement of accumulated deferred income taxes caused by Federal Tax Reform was used to offset increases in WPL's 2020 increased revenue requirements.

WPL's Retail Fuel-related Rate Filing (2020 Forward-looking Test Period) - In December 2019, WPL received an order from the PSCW authorizing an annual retail electric rate decrease of \$29 million, or approximately 2%, effective January 1, 2020. The decrease primarily reflected a change in expected fuel-related costs in 2020.

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	
	2020	2019	2020	2019	2020	2019
Utility:						
Electric plant:						
Generation in service	\$8,222	\$7,625	\$4,884	\$4,432	\$3,338	\$3,193
Distribution in service	6,216	5,783	3,470	3,190	2,746	2,593
Other in service	536	457	358	299	178	158
Anticipated to be retired early (a)	1,269	—	459	—	810	—
Total electric plant	16,243	13,865	9,171	7,921	7,072	5,944
Gas plant in service	1,563	1,463	844	802	719	661
Other plant in service	534	520	354	345	180	175
Accumulated depreciation	(4,868)	(4,602)	(2,671)	(2,499)	(2,197)	(2,103)
Net plant	13,472	11,246	7,698	6,569	5,774	4,677
Leased Sheboygan Falls Energy Facility, net (b)	—	—	—	—	27	32
Construction work in progress	405	1,835	185	907	220	928
Other, net	7	6	6	5	1	1
Total utility	13,884	13,087	7,889	7,481	6,022	5,638
Non-utility and other:						
Non-utility Generation, net (c)	79	83	—	—	—	—
Corporate Services and other, net (d)	373	357	—	—	—	—
Total non-utility and other	452	440	—	—	—	—
Total property, plant and equipment	\$14,336	\$13,527	\$7,889	\$7,481	\$6,022	\$5,638

- (a) In 2020, IPL and WPL received approval from MISO to retire Lansing and Edgewater Unit 5, respectively, and currently anticipate retiring these EGUs by the end of 2022. Alliant Energy and IPL concluded that Lansing, and Alliant Energy and WPL concluded that Edgewater Unit 5, met the criteria to be considered probable of abandonment as of December 31, 2020. IPL and WPL are currently allowed a full recovery of and a full return on its respective EGU from both its retail and wholesale customers.
- (b) Less accumulated amortization of \$95 million and \$89 million for WPL as of December 31, 2020 and 2019, respectively. The leased 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 \$63 million and \$59 million for Alliant Energy as of December 31, 2020 and 2019, respectively.
- (d) Less accumulated depreciation of \$210 million and \$172 million for Alliant Energy as of December 31, 2020 and 2019, respectively.

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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Equity	\$39	\$66	\$51	\$17	\$35	\$29	\$22	\$31	\$22
Debt	16	27	25	7	15	13	9	12	12
	<u>\$55</u>	<u>\$93</u>	<u>\$76</u>	<u>\$24</u>	<u>\$50</u>	<u>\$42</u>	<u>\$31</u>	<u>\$43</u>	<u>\$34</u>

Non-utility and Other - The non-utility and other property, plant and equipment recorded on Alliant Energy's balance sheets include 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.

Corporate Services and Other - Property, plant and equipment related to Corporate Services include 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. Other property, plant and equipment include Travero assets (a short-line railway in Iowa and a barge terminal on the Mississippi River). All Corporate Services and Other property, plant and equipment are 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. 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, 2020 was as follows (dollars in millions):

	Ownership Interest %	Electric Plant	Accumulated Provision for Depreciation	Construction Work in Progress
IPL				
Ottumwa Unit 1	48.0%	\$580	\$195	\$22
George Neal Unit 4	25.7%	192	96	2
George Neal Unit 3	28.0%	171	67	—
Louisa Unit 1	4.0%	39	22	—
		<u>982</u>	<u>380</u>	<u>24</u>
WPL				
Columbia Units 1-2	53.5%	786	289	4
West Riverside	91.8%	686	12	13
Forward Wind Energy Center	42.6%	120	46	—
		<u>1,592</u>	<u>347</u>	<u>17</u>
Alliant Energy		<u>\$2,574</u>	<u>\$727</u>	<u>\$41</u>

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	
	2020	2019	2020	2019	2020	2019
Customer	\$101	\$92	\$—	\$—	\$92	\$84
Unbilled utility revenues	82	82	—	—	82	82
Deferred proceeds	188	188	188	188	—	—
Other	59	47	23	16	35	31
Allowance for expected credit losses	(18)	(7)	(1)	(1)	(17)	(6)
	<u>\$412</u>	<u>\$402</u>	<u>\$210</u>	<u>\$203</u>	<u>\$192</u>	<u>\$191</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. The purchase commitment from the third party to which it sells its receivables expires in March 2021. IPL currently expects to amend and extend the purchase commitment. 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 expected credit losses 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. 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, 2020, IPL had \$109 million of 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		
	2020	2019	2018	2020	2019	2018
Outstanding aggregate cash proceeds	\$96	\$108	\$116	\$9	\$36	\$53

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

	2020	2019
Customer accounts receivable	\$114	\$125
Unbilled utility revenues	92	95
Other receivables	—	1
Receivables sold to third party	206	221
Less: cash proceeds	1	27
Deferred proceeds	205	194
Less: allowance for expected credit losses	17	6
Fair value of deferred proceeds	\$188	\$188
Outstanding receivables past due	\$27	\$26

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

	2020	2019	2018
Collections	\$2,025	\$2,193	\$2,077
Write-offs, net of recoveries	7	19	21

NOTE 6. INVESTMENTS

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

	Ownership Interest at December 31, 2020	Carrying Value at December 31,		Equity (Income) / Loss		
		2020	2019	2020	2019	2018
ATC Holdings	16%, 20%	\$331	\$320	(\$47)	(\$45)	(\$38)
Non-utility wind farm in Oklahoma	50%	103	105	(8)	(5)	(16)
Other	Various	42	33	(6)	(3)	(1)
		\$476	\$458	(\$61)	(\$53)	(\$55)

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

	Alliant Energy		
	2020	2019	2018
Revenues	\$801	\$783	\$724
Operating income	376	359	325
Net income	343	340	217
As of December 31:			
Current assets	121	139	
Non-current assets	6,388	5,964	
Current liabilities	317	507	
Non-current liabilities	2,997	2,659	
Noncontrolling interest	192	208	

ATC Holdings - As of December 31, 2020, Alliant Energy has a 16% ownership interest in ATC and a 20% ownership interest in ATC Holdco LLC, collectively referred to as ATC Holdings. ATC is an independent, for-profit, transmission-only company. ATC Holdco LLC holds Duke-American Transmission Company, LLC, a joint venture between Duke Energy Corporation and ATC, that owns electric transmission infrastructure in North America.

Non-utility Wind Farm in Oklahoma - The non-utility wind farm located in Oklahoma 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:

	2020	2019	2018
Shares outstanding, January 1	245,022,800	236,063,279	231,348,646
Equity forward agreements	4,275,127	8,358,973	—
At-the-market offering programs	—	—	4,171,013
Shareowner Direct Plan	472,283	501,808	576,965
Equity-based compensation plans	98,205	101,478	5,078
Other	—	(2,738)	(38,423)
Shares outstanding, December 31	249,868,415	245,022,800	236,063,279

At December 31, 2020, Alliant Energy had a total of 15 million shares available for issuance in the aggregate, pursuant to its 2020 OIP, Shareowner Direct Plan and 401(k) Savings Plan.

Equity Forward Agreements - In 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 2019, Alliant Energy settled \$366 million under the forward sale agreements by delivering 8,358,973 shares of newly issued Alliant Energy common stock at a weighted average forward sale price of \$43.75 per share. Alliant Energy used the net proceeds from the settlements for general corporate purposes.

In 2019, Alliant Energy entered into forward sale agreements with a counterparty in connection with a public offering of 4,275,127 shares of Alliant Energy common stock. In 2020, Alliant Energy settled \$222 million under the forward sale agreements by delivering 4,275,127 shares of newly issued Alliant Energy common stock at a weighted average forward sale price of \$51.98 per share. Alliant Energy used the net proceeds from the settlements for general corporate purposes.

At-the-Market Offering Program - In 2018, Alliant Energy filed a prospectus supplement under which it could sell up to \$175 million of its common stock through an at-the-market offering program. 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. The 2018 at-the-market offering program has expired.

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.

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	2020	2019
				(in millions)	
5.1%	\$25	8,000,000	8,000,000	\$200	\$200

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, 2020, the short-term borrowing capacity under a single credit facility agreement, which expires in August 2023, totaled \$1 billion (\$450 million for Alliant Energy at the parent company level, \$250 million for IPL and \$300 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 Alliant Energy's, IPL's and WPL's commercial paper, and Alliant Energy's and WPL's borrowings under the single credit facility, classified as short-term debt was as follows (dollars in millions):

December 31	Alliant Energy		IPL		WPL	
	2020	2019	2020	2019	2020	2019
Amount outstanding	\$389	\$337	\$—	\$—	\$257	\$168
Weighted average interest rates	0.2%	1.9%	N/A	N/A	0.1%	1.8%
Available credit facility capacity	\$611	\$663	\$250	\$250	\$43	\$132

For the year ended	Alliant Energy		IPL		WPL	
	2020	2019	2020	2019	2020	2019
Maximum amount outstanding (based on daily outstanding balances)	\$495	\$601	\$8	\$50	\$266	\$195
Average amount outstanding (based on daily outstanding balances)	\$292	\$453	\$—	\$—	\$117	\$93
Weighted average interest rates	0.7%	2.5%	0.5%	2.8%	0.7%	2.4%

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

	2020			2019		
	Alliant Energy	IPL	WPL	Alliant Energy	IPL	WPL
Senior Debentures (a):						
3.25%, due 2024	\$500	\$500	\$—	\$500	\$500	\$—
3.4%, due 2025	250	250	—	250	250	—
5.5%, due 2025	50	50	—	50	50	—
4.1%, due 2028	500	500	—	500	500	—
3.6%, due 2029	300	300	—	300	300	—
2.3%, due 2030 (b)	400	400	—	—	—	—
6.45%, due 2033	100	100	—	100	100	—
6.3%, due 2034	125	125	—	125	125	—
6.25%, due 2039	300	300	—	300	300	—
4.7%, due 2043	250	250	—	250	250	—
3.7%, due 2046	300	300	—	300	300	—
3.5%, due 2049	300	300	—	300	300	—
3.65% (Retired in 2020)	—	—	—	200	200	—
	3,375	3,375	—	3,175	3,175	—
Debentures (a):						
2.25%, due 2022	250	—	250	250	—	250
3.05%, due 2027	300	—	300	300	—	300
3%, due 2029	350	—	350	350	—	350
6.25%, due 2034	100	—	100	100	—	100
6.375%, due 2037	300	—	300	300	—	300
7.6%, due 2038	250	—	250	250	—	250
4.1%, due 2044	250	—	250	250	—	250
3.65%, due 2050 (c)	350	—	350	—	—	—
4.6% (Retired in 2020)	—	—	—	150	—	150
	2,150	—	2,150	1,950	—	1,950
Other:						
AEF term loan credit agreement through March 2022, 1% at December 31, 2020 (with Alliant Energy as guarantor) (d)	300	—	—	—	—	—
Corporate Services 3.45% senior notes, due 2022 (a)	75	—	—	75	—	—
AEF 3.75% senior notes, due 2023 (with Alliant Energy as guarantor) (a)	400	—	—	400	—	—
AEF 1.4% senior notes, due 2026 (with Alliant Energy as guarantor) (a)(e)	200	—	—	—	—	—
AEF 4.25% senior notes, due 2028 (with Alliant Energy as guarantor) (a)	300	—	—	300	—	—
Sheboygan Power, LLC 5.06% senior secured notes, due 2021 to 2024 (secured by the Sheboygan Falls Energy Facility and related assets) (a)	31	—	—	38	—	—
AEF term loan credit agreement, 2% at December 31, 2019 (with Alliant Energy as guarantor) (Retired in 2020)	—	—	—	300	—	—
Other, 1% at December 31, 2020, due 2021 to 2025	2	—	—	2	—	—
	1,308	—	—	1,115	—	—
Subtotal	6,833	3,375	2,150	6,240	3,175	1,950
Current maturities	(8)	—	—	(657)	(200)	(150)
Unamortized debt issuance costs	(41)	(22)	(14)	(37)	(21)	(11)
Unamortized debt (discount) and premium, net	(15)	(8)	(6)	(13)	(7)	(6)
Long-term debt, net (f)	\$6,769	\$3,345	\$2,130	\$5,533	\$2,947	\$1,783

- (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 June 2020, IPL issued \$400 million of 2.3% senior debentures due 2030. The net proceeds from the issuance were used by IPL to retire its \$200 million 3.65% senior debentures that would have matured in September 2020 and for general corporate purposes.
- (c) In April 2020, WPL issued \$350 million of 3.65% debentures due 2050. The net proceeds from the issuance were used by WPL to reduce borrowings under the single credit facility and for general corporate purposes.
- (d) In March 2020, AEF entered into a \$300 million variable-rate term loan credit agreement and used the borrowings under this agreement to retire its \$300 million variable-rate term loan credit agreement that would have expired in April 2020.
- (e) In November 2020, AEF issued \$200 million of 1.4% senior notes due 2026. The net proceeds from the issuance were used to reduce Alliant Energy's outstanding commercial paper and for general corporate purposes.
- (f) 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, 2020, long-term debt maturities for 2021 through 2025 were as follows (in millions):

	2021	2022	2023	2024	2025
IPL	\$—	\$—	\$—	\$500	\$300
WPL	—	250	—	—	—
Corporate Services	—	75	—	—	—
AEF	8	308	408	9	—
Alliant Energy	<u>\$8</u>	<u>\$633</u>	<u>\$408</u>	<u>\$509</u>	<u>\$300</u>

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

NOTE 10. LEASES

Operating Leases - Alliant Energy's, IPL's and WPL's operating leases primarily include leases of space on telecommunication towers and leases of property. At December 31, operating lease details are as follows (dollars in millions):

	2020			2019		
	Alliant Energy	IPL	WPL	Alliant Energy	IPL	WPL
Property, plant and equipment, net	<u>\$15</u>	<u>\$9</u>	<u>\$6</u>	<u>\$16</u>	<u>\$10</u>	<u>\$6</u>
Other current liabilities	<u>\$2</u>	<u>\$1</u>	<u>\$1</u>	<u>\$2</u>	<u>\$1</u>	<u>\$1</u>
Other liabilities	<u>13</u>	<u>8</u>	<u>5</u>	<u>14</u>	<u>9</u>	<u>5</u>
Total operating lease liabilities	<u>\$15</u>	<u>\$9</u>	<u>\$6</u>	<u>\$16</u>	<u>\$10</u>	<u>\$6</u>
Weighted average remaining lease term	<u>10 years</u>	<u>11 years</u>	<u>9 years</u>	<u>11 years</u>	<u>12 years</u>	<u>10 years</u>
Weighted average discount rate	<u>4%</u>	<u>4%</u>	<u>4%</u>	<u>4%</u>	<u>4%</u>	<u>4%</u>

Expected Maturities - As of December 31, 2020, expected maturities of lease liabilities were as follows (in millions):

	2021	2022	2023	2024	2025	Thereafter	Total	Less: amount representing interest	Present value of minimum lease payments
Operating Leases:									
Alliant Energy	\$2	\$2	\$2	\$2	\$2	\$8	\$18	\$3	\$15
IPL	1	1	1	1	1	6	11	2	9
WPL	1	1	1	1	1	2	7	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 Travero business, which includes a short-line rail freight service in Iowa; a barge, rail and truck freight terminal on the Mississippi River; and freight brokerage and logistics management services.

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

	Alliant Energy			IPL			WPL		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Electric Utility:									
Retail - residential	\$1,093	\$1,092	\$1,063	\$602	\$601	\$590	\$491	\$491	\$473
Retail - commercial	718	770	736	474	510	487	244	260	249
Retail - industrial	841	889	889	488	504	501	353	385	388
Wholesale	168	177	188	57	64	71	111	113	117
Bulk power and other	100	136	124	74	102	82	26	34	42
Total Electric Utility	<u>2,920</u>	<u>3,064</u>	<u>3,000</u>	<u>1,695</u>	<u>1,781</u>	<u>1,731</u>	<u>1,225</u>	<u>1,283</u>	<u>1,269</u>
Gas Utility:									
Retail - residential	214	259	254	116	149	152	98	110	102
Retail - commercial	107	133	133	59	75	76	48	58	57
Retail - industrial	12	16	15	8	12	10	4	4	5
Transportation/other	40	47	45	25	28	28	15	19	17
Total Gas Utility	<u>373</u>	<u>455</u>	<u>447</u>	<u>208</u>	<u>264</u>	<u>266</u>	<u>165</u>	<u>191</u>	<u>181</u>
Other Utility:									
Steam	36	37	35	36	37	35	—	—	—
Other utility	13	9	13	8	7	10	5	2	3
Total Other Utility	<u>49</u>	<u>46</u>	<u>48</u>	<u>44</u>	<u>44</u>	<u>45</u>	<u>5</u>	<u>2</u>	<u>3</u>
Non-Utility and Other:									
Travero and other	74	83	39	—	—	—	—	—	—
Total Non-Utility and Other	<u>74</u>	<u>83</u>	<u>39</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>\$3,416</u>	<u>\$3,648</u>	<u>\$3,534</u>	<u>\$1,947</u>	<u>\$2,089</u>	<u>\$2,042</u>	<u>\$1,395</u>	<u>\$1,476</u>	<u>\$1,453</u>

NOTE 12. INCOME TAXES

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

	Alliant Energy			IPL			WPL		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Current tax expense (benefit):									
Federal	\$1	(\$7)	(\$1)	\$6	(\$11)	\$15	(\$11)	\$12	(\$9)
State	8	24	(5)	(1)	24	(7)	7	13	(5)
IPL's tax benefit riders	—	(4)	(13)	—	(4)	(13)	—	—	—
Deferred tax expense (benefit):									
Federal	22	70	68	30	26	10	(9)	31	44
State	8	42	30	(2)	31	7	10	6	22
Production tax credits	(95)	(55)	(30)	(80)	(42)	(14)	(15)	(13)	(15)
Investment tax credits	(1)	(1)	(1)	—	—	(1)	(1)	—	(1)
	<u>(\$57)</u>	<u>\$69</u>	<u>\$48</u>	<u>(\$47)</u>	<u>\$24</u>	<u>(\$3)</u>	<u>(\$19)</u>	<u>\$49</u>	<u>\$36</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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Statutory federal income tax rate	21%	21%	21%	21%	21%	21%	21%	21%	21%
State income taxes, net of federal benefits	2	7	7	(1)	8	8	6	6	6
Production tax credits	(17)	(9)	(5)	(28)	(13)	(5)	(7)	(5)	(7)
Amortization of excess deferred taxes (Refer to Note 2)	(13)	(1)	(1)	(5)	—	—	(26)	(2)	—
Effect of rate-making on property-related differences	(3)	(6)	(8)	(4)	(10)	(14)	(2)	(3)	(2)
Adjustment for prior period taxes	1	1	(2)	1	3	(5)	—	—	—
IPL's tax benefit riders	—	(1)	(2)	—	(1)	(5)	—	—	—
Federal Tax Reform adjustments	—	—	(1)	—	—	—	—	—	(2)
Other items, net	(1)	(1)	(1)	—	—	(1)	—	—	(1)
Overall income tax rate	(10%)	11%	8%	(16%)	8%	(1%)	(8%)	17%	15%

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	
	2020	2019	2020	2019	2020	2019
Deferred tax liabilities:						
Property	\$2,232	\$2,022	\$1,312	\$1,184	\$854	\$770
ATC Holdings	116	111	—	—	—	—
Other	101	84	83	76	41	32
Total deferred tax liabilities	2,449	2,217	1,395	1,260	895	802
Deferred tax assets:						
Federal credit carryforwards	454	355	258	175	175	160
Net operating losses carryforwards - federal	77	60	71	56	1	1
Net operating losses carryforwards - state	37	37	1	1	—	—
Other	73	61	30	20	18	16
Subtotal deferred tax assets	641	513	360	252	194	177
Valuation allowances	(6)	(10)	—	—	(1)	(1)
Total deferred tax assets	635	503	360	252	193	176
Total deferred tax liabilities, net	\$1,814	\$1,714	\$1,035	\$1,008	\$702	\$626

Carryforwards - At December 31, 2020, carryforwards and expiration dates were estimated as follows (in millions):

	Range of Expiration Dates	Alliant Energy	IPL	WPL
Federal net operating losses	2037	\$366	\$339	\$3
State net operating losses	2021-2040	622	10	2
Federal tax credits	2022-2040	454	258	175

Valuation Allowances - Alliant Energy currently expects its federal net operating losses carryforwards will not be fully utilized until 2023. Because taxable income must be reduced by federal net operating losses carryforwards prior to utilizing federal tax credit carryforwards, Alliant Energy currently does not expect to utilize 2002 vintage federal credit carryforwards prior to their expiration in 2022, resulting in valuation allowances that remain as of December 31, 2020. Alliant Energy currently expects to be able to utilize 2003 vintage federal credit carryforwards prior to their expiration in 2023, and as a result, in 2020, Alliant Energy reversed \$4 million of previously recorded valuation allowances related to these federal credit carryforwards.

Uncertain Tax Positions - At December 31, 2020, 2019 and 2018, there were no uncertain tax positions or penalties accrued related to uncertain tax positions. As of December 31, 2020, 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)	2017 - 2019
Consolidated Iowa income tax returns (b)	2017 - 2019
Wisconsin combined tax returns (c)	2016 - 2019

- (a) The 2017 federal tax return is 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.

Federal Tax Reform Adjustments - 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 a result of these clarifying rules, Alliant Energy recorded tax benefits of \$6 million in 2018.

Iowa Tax Reform - In 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, for taxes related to 2020 and prior.

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		
	2020	2019	2018	2020	2019	2018
Discount rate for benefit obligations	2.57%	3.48%	4.34%	2.31%	3.40%	4.24%
Discount rate for net periodic cost	3.48%	4.34%	3.66%	3.40%	4.24%	3.53%
Expected rate of return on plan assets	7.10%	7.60%	7.60%	4.50%	5.44%	5.44%
Interest crediting rate for Alliant Energy Cash Balance Pension Plan	4.76%	5.52%	5.04%	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

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 2019 by the Society of Actuaries and mortality projection tables that were released in 2020 by the Society of Actuaries.

Net Periodic Benefit Costs - The components of net periodic benefit costs for sponsored defined benefit pension and OPEB plans are included 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		
	2020	2019	2018	2020	2019	2018
Service cost	\$11	\$10	\$12	\$3	\$3	\$4
Interest cost	43	50	47	7	9	8
Expected return on plan assets (a)	(70)	(60)	(69)	(5)	(5)	(6)
Amortization of prior service credit (b)	—	(1)	(1)	—	—	—
Amortization of actuarial loss (c)	34	36	35	3	3	3
Settlement losses (d)	12	—	—	—	—	—
	\$30	\$35	\$24	\$8	\$10	\$9

- (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 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 and lump sum payments related to IPL's qualified defined benefit pension plan.

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	
	2020	2019	2020	2019
Change in benefit obligation:				
Net benefit obligation at January 1	\$1,280	\$1,175	\$214	\$206
Service cost	11	10	3	3
Interest cost	43	50	7	9
Plan participants' contributions	—	—	4	3
Actuarial loss	132	124	18	14
Gross benefits paid	(115)	(79)	(19)	(21)
Net benefit obligation at December 31	1,351	1,280	227	214
Change in plan assets:				
Fair value of plan assets at January 1	931	809	105	99
Actual return on plan assets	108	168	11	15
Employer contributions	60	33	7	9
Plan participants' contributions	—	—	4	3
Gross benefits paid	(115)	(79)	(19)	(21)
Fair value of plan assets at December 31	984	931	108	105
Under funded status at December 31	(\$367)	(\$349)	(\$119)	(\$109)

Alliant Energy	Defined Benefit Pension Plans		OPEB Plans	
	2020	2019	2020	2019
Amounts recognized on the balance sheets consist of:				
Non-current assets	\$—	\$—	\$8	\$10
Current liabilities	(2)	(14)	(8)	(8)
Pension and other benefit obligations	(365)	(335)	(119)	(111)
Net amounts recognized at December 31	(\$367)	(\$349)	(\$119)	(\$109)
Amounts recognized in Regulatory Assets consist of:				
Net actuarial loss	\$533	\$485	\$54	\$45
Prior service credit	(5)	(5)	(1)	(1)
	\$528	\$480	\$53	\$44

Actuarial losses related to benefit obligations in 2020 for defined benefit pension and OPEB plans were primarily due to decreases in the discount rates, partially offset by the impact of updated mortality projection tables. Actuarial losses related to benefit obligations in 2019 for defined benefit pension and OPEB plans were primarily due to decreases in the discount rates and experience losses, partially offset by the impact of the updated base mortality table.

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 are as follows (in millions):

Alliant Energy	Defined Benefit Pension Plans		OPEB Plans	
	2020	2019	2020	2019
Accumulated benefit obligations	\$1,305	\$1,234	\$227	\$214
Plans with accumulated benefit obligations in excess of plan assets:				
Accumulated benefit obligations	1,305	1,234	227	214
Fair value of plan assets	984	931	108	105
Plans with projected benefit obligations in excess of plan assets:				
Projected benefit obligations	1,351	1,280	N/A	N/A
Fair value of plan assets	984	931	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 2021 is as follows (in millions):

	Alliant Energy
Defined benefit pension plans	\$39
OPEB plans	8

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	2021	2022	2023	2024	2025	2026 - 2030
Defined benefit pension benefits	\$76	\$78	\$79	\$79	\$80	\$398
OPEB	18	18	17	17	17	74
	\$94	\$96	\$96	\$96	\$97	\$472

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 U.S. and international equity, fixed income, 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. 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, 2020, 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%	5%
Equity securities - U.S.	11% - 41%	26%
Equity securities - international	14% - 34%	23%
Global asset securities	5% - 15%	9%
Risk parity securities	5% - 15%	9%
Fixed income securities	20% - 40%	28%

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, 2020, 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%	25%
Equity securities - international	0% - 34%	1%
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 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 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):

	2020				2019			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Alliant Energy								
Cash and equivalents	\$46	\$—	\$46	\$—	\$46	\$4	\$42	\$—
Equity securities - U.S.	182	182	—	—	161	161	—	—
Equity securities - international	151	151	—	—	136	136	—	—
Global asset securities	45	45	—	—	47	47	—	—
Fixed income securities	134	56	78	—	131	58	73	—
Total assets in fair value hierarchy	558	\$434	\$124	\$—	521	\$406	\$115	\$—
Assets measured at net asset value	426				410			
Accrued investment income	1				1			
Due to brokers, net (pending trades with brokers)	(1)				(1)			
Total pension plan assets	\$984				\$931			

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

	2020				2019			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Alliant Energy								
Cash and equivalents	\$2	\$—	\$2	\$—	\$3	\$3	\$—	\$—
Equity securities - U.S.	4	4	—	—	4	4	—	—
Equity securities - international	3	3	—	—	3	3	—	—
Fixed income securities	72	71	1	—	69	68	1	—
Total assets in fair value hierarchy	81	\$78	\$3	\$—	79	\$78	\$1	\$—
Assets measured at net asset value	27				26			
Total OPEB plan assets	\$108				\$105			

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, 2020 and 2019.

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 9% and 11% of total assets in the 401(k) savings plans at December 31, 2020 and 2019, 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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
401(k) costs	\$25	\$25	\$25	\$13	\$13	\$13	\$12	\$12	\$11

NOTE 13(b) Equity-based Compensation Plans - In 2020, Alliant Energy's shareowners approved the 2020 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. The 2020 OIP replaced the Amended and Restated 2010 OIP, which permitted similar grants. At December 31, 2020, performance shares and restricted stock units (performance- and time-vesting) were outstanding under the 2020 OIP and the Amended and Restated 2010 OIP, and 9 million shares of Alliant Energy common stock remained available for grants under the 2020 OIP. Alliant Energy satisfies share payouts related to equity awards 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, 2020, 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		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Compensation expense	\$16	\$26	\$17	\$9	\$15	\$9	\$6	\$10	\$7
Income tax benefits	4	7	5	2	4	3	2	3	2

As of December 31, 2020, Alliant Energy's, IPL's and WPL's total unrecognized compensation cost related to share-based compensation awards was \$5 million, \$3 million and \$2 million, respectively, which is expected to be recognized over a weighted average period of between one year and two years. Share-based compensation expense is recognized on a straight-line basis over the requisite service periods and is recorded in "Other operation and maintenance" in the income statements. As of December 31, 2020, 537,485 shares were included in the calculation of diluted EPS related to the nonvested equity awards.

Performance Shares - Equity Awards - Payouts of 2020 and 2019 performance shares are contingent upon achievement over a three-year period of specified performance criteria, which currently is total shareowner return relative to an investor-owned utility peer group. Performance shares granted in 2020 and 2019 are to be paid out in shares of Alliant Energy common stock and are accounted for as equity awards. The fair value of each performance share granted in 2020 and 2019 is based on the fair value of the underlying common stock on the grant date and the probability of satisfying the market condition contained in the agreement during a three-year performance period. The actual number of 2020 and 2019 performance shares that will be paid out upon vesting is dependent upon actual performance and may range from zero to 200% of the target number of shares. If minimum performance targets are not met during the performance period, these performance shares are forfeited. Compensation expense is recorded ratably over the performance period based on the fair value of the awards at the grant date. A summary of the 2020 and 2019 performance shares activity, with amounts representing the target number of awards, was as follows:

	2020		2019	
	Performance Shares - Equity	Weighted Average Grant Date Fair Value	Performance Shares - Equity	Weighted Average Grant Date Fair Value
Nonvested awards, January 1	74,193	\$47.44	—	\$—
Granted	56,204	64.04	91,816	47.23
Forfeited	(1,241)	50.94	(17,623)	46.35
Nonvested awards, December 31	129,156	54.63	74,193	47.44

Performance Shares and Performance Units - Liability Awards - Payouts of performance shares granted prior to 2019 under the Amended and Restated 2010 OIP and performance units under the DLIP to key employees are contingent upon achievement over three-year periods of specified performance criteria, which currently is total shareowner return relative to an investor-owned utility peer group. Performance shares granted prior to 2019 can be paid out in shares of Alliant Energy 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 granted prior to 2019 and performance units in cash; therefore, these performance shares and performance units are accounted for as liability awards. Compensation expense for these

performance shares and performance units is recorded ratably over the performance period based on the fair value of the awards at each reporting period. A summary of these performance shares and performance units activity, with amounts representing the target number of awards, was as follows:

	Performance Shares (granted prior to 2019)			Performance Units (granted prior to 2019)		
	2020	2019	2018	2020	2019	2018
Nonvested awards, January 1	131,872	203,188	223,511	34,574	57,761	71,737
Granted	—	—	74,163	—	—	19,840
Vested	(63,565)	(66,322)	(90,806)	(16,661)	(20,131)	(31,910)
Forfeited	—	(4,994)	(3,680)	(1,112)	(3,056)	(1,906)
Nonvested awards, December 31	68,307	131,872	203,188	16,801	34,574	57,761

Fair Value of Awards - The fair value of each performance share and performance unit accounted for as a liability award is based on the closing market price of one share of Alliant Energy 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. At December 31, 2020, the Alliant Energy common stock closing price was \$51.53, and additional information related to the fair value of nonvested performance shares and performance units granted in 2018 was as follows:

	Performance Shares	Performance Units
Nonvested awards at target	68,307	16,801
Estimated payout percentage based on performance criteria	172.5%	172.5%
Fair values of each nonvested award	\$88.89	\$88.89

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 (granted prior to 2019)			Performance Units (granted prior to 2019)		
	2020	2019	2018	2020	2019	2018
	2017 Grant	2016 Grant	2015 Grant	2017 Grant	2016 Grant	2015 Grant
Performance awards vested	63,565	66,322	90,806	16,661	20,131	31,910
Percentage of target number of performance awards	155.0%	142.5%	137.5%	155.0%	142.5%	137.5%
Aggregate payout value (in millions)	\$6	\$4	\$5	\$2	\$1	\$1
Payout - cash (in millions)	\$5	\$4	\$5	\$2	\$1	\$1
Payout - common stock shares issued	9,543	6,447	5,078	N/A	N/A	N/A

Restricted Stock Units - Equity Awards - Payouts of 2020 and 2019 restricted stock units are based on the expiration of a three-year time-vesting period. Restricted stock units granted in 2020 and 2019 are to be paid out in shares of Alliant Energy common stock and are accounted for as equity awards. The fair value of each restricted stock unit granted in 2020 and 2019 is based on the closing market price of one share of Alliant Energy common stock on the grant date of the award. Compensation expense is recorded ratably over the performance period based on the fair value of the awards on the grant date. A summary of the 2020 and 2019 restricted stock units activity was as follows:

	2020		2019	
	Restricted Stock Units - Equity	Weighted Average Grant Date Fair Value	Restricted Stock Units - Equity	Weighted Average Grant Date Fair Value
Nonvested units, January 1	89,281	\$46.04	—	\$—
Granted	61,056	59.42	105,348	45.98
Forfeited	(3,788)	49.01	(16,067)	45.63
Nonvested units, December 31	146,549	51.54	89,281	46.04

Restricted Stock Units - Liability Awards - Payouts of restricted stock units granted prior to 2019 are based on the expiration of a three-year time-vesting period and 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 granted prior to 2019 in cash; therefore, restricted stock units granted prior to 2019 are accounted for as liability awards. The fair value of each restricted stock unit granted prior to 2019 is based on the closing market price of one share of Alliant Energy 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. A summary of the restricted stock units granted prior to 2019 activity was as follows:

	2020	2019	2018
Nonvested units, January 1	113,033	174,163	113,749
Granted	—	—	63,568
Vested	(54,483)	(56,849)	—
Forfeited	—	(4,281)	(3,154)
Nonvested units, December 31	58,550	113,033	174,163

Performance Restricted Stock Units - Equity Awards - Payouts of performance restricted stock units are based upon achievement of certain performance targets during a three-year performance period, which currently includes specified growth of consolidated net income from continuing operations. 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 minimum 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. The fair value of each performance restricted stock unit is based on the closing market price of one share of Alliant Energy 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:

	2020		2019		2018	
	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	206,065	\$41.50	203,188	\$37.23	132,705	\$36.50
Granted	56,204	59.37	91,816	46.10	74,163	38.60
Vested	(63,565)	39.12	(66,322)	33.93	—	—
Forfeited	(1,241)	49.25	(22,617)	44.00	(3,680)	38.60
Nonvested units, December 31	197,463	47.31	206,065	41.50	203,188	37.23

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):

	2020	2019
Carrying value	\$11	\$10
Fair market value	20	21

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, 2020 and 2019, the carrying value of Alliant Energy's deferred compensation obligations for participants' interest, equity and mutual fund accounts, which approximates fair market value, was \$22 million and \$21 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, above ground storage tanks, coal yards and solar generation. 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	
	2020	2019	2020	2019	2020	2019
Balance, January 1	\$196	\$177	\$134	\$118	\$62	\$59
Revisions in estimated cash flows	13	(6)	9	(7)	4	1
Liabilities settled	(13)	(8)	(9)	(8)	(4)	—
Liabilities incurred (a)	48	26	38	26	10	—
Accretion expense	7	7	5	5	2	2
Balance, December 31	<u>\$251</u>	<u>\$196</u>	<u>\$177</u>	<u>\$134</u>	<u>\$74</u>	<u>\$62</u>

(a) In 2020, IPL placed in service the Whispering Willow North, Golden Plains and Richland wind sites, and WPL placed in service the Kossuth wind site. As a result, Alliant Energy recognized additional AROs in 2020, which resulted in corresponding increases in property, plant and equipment, net on the balance sheet.

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, 2020, 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	9,285	2021	208,542	2021-2028	5,648	2021-2023	5,544	2021-2022
IPL	3,398	2021	109,063	2021-2028	2,548	2021-2023	—	—
WPL	5,887	2021	99,479	2021-2027	3,100	2021-2023	5,544	2021-2022

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	
	2020	2019	2020	2019	2020	2019
Current derivative assets	\$24	\$16	\$20	\$12	\$4	\$4
Non-current derivative assets	10	11	9	10	1	1
Current derivative liabilities	9	19	3	9	6	10
Non-current derivative liabilities	16	19	9	9	7	10

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, 2020 and 2019, 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, 2020 and 2019. 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 expected credit losses 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	2020					2019				
	Carrying Amount	Fair Value			Total	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
Assets:										
Money market fund investments	\$44	\$44	\$—	\$—	\$44	\$5	\$5	\$—	\$—	\$5
Derivatives	34	—	5	29	34	27	—	5	22	27
Deferred proceeds	188	—	—	188	188	188	—	—	188	188
Liabilities and equity:										
Derivatives	25	—	25	—	25	38	—	37	1	38
Long-term debt (incl. current maturities)	6,777	—	8,107	2	8,109	6,190	—	6,918	2	6,920

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	
	2020	2019	2020	2019
Beginning balance, January 1	\$21	\$12	\$188	\$119
Total net gains included in changes in net assets (realized/unrealized)	11	8	—	—
Transfers out of Level 3 (a)	—	4	—	—
Purchases	14	14	—	—
Sales	(1)	—	—	—
Settlements (b)	(16)	(17)	—	69
Ending balance, December 31	\$29	\$21	\$188	\$188
The amount of total net gains for the period included in changes in net assets attributable to the change in unrealized gains relating to assets and liabilities held at December 31	\$11	\$11	\$—	\$—

- (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 expected credit losses associated with the receivables sold and cash amounts received from the receivables sold.

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

	Alliant Energy		IPL		WPL	
	Excluding FTRs	FTRs	Excluding FTRs	FTRs	Excluding FTRs	FTRs
2020	\$18	\$11	\$17	\$9	\$1	\$2
2019	15	7	14	5	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, including WPL's expansion of solar generation. At December 31, 2020, Alliant Energy's and WPL's minimum future commitments in 2021 for these projects were \$8 million and \$7 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, 2020, the related minimum future commitments were as follows (in millions):

Alliant Energy	2021	2022	2023	2024	2025	Thereafter	Total
Natural gas	252	174	137	105	68	185	921
Coal	70	27	17	—	—	—	114
Other (a)	61	17	11	8	3	29	129
	\$383	\$218	\$165	\$113	\$71	\$214	\$1,164

- (a) Includes individual commitments incurred during the normal course of business that exceeded \$1 million at December 31, 2020.

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 - Whiting Petroleum is an independent oil and gas company. In 2004, Alliant Energy sold its remaining interest in Whiting Petroleum. 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 multiple general partnership agreements in the oil and gas industry. The guarantees do not include a maximum limit. Based on information made available to Alliant Energy by Whiting Petroleum, the Whiting Petroleum affiliate holds an approximate 6% share in the partnerships, and currently known obligations include costs associated with the future abandonment of certain facilities owned by the partnerships. The general partnerships were formed under California law, and Alliant Energy Resources, LLC may need to perform under the guarantees if the affiliate of Whiting Petroleum is unable to meet its partnership obligations.

As of December 31, 2020, the currently known partnership obligations for the abandonment obligations are estimated at \$68 million, which represents Alliant Energy's currently estimated maximum exposure under the guarantees. Alliant Energy estimates its expected loss to be a portion of the \$68 million of known partnership abandonment obligations of the Whiting Petroleum affiliate and the other partners. Alliant Energy is not aware of any material liabilities related to these guarantees that it is probable that it will be obligated to pay; however, the new credit loss accounting standard adopted on January 1, 2020 requires recognition of a liability for expected credit losses related to the contingent obligations that are in the scope of these guarantees. With the adoption of this standard, Alliant Energy recorded a pre-tax \$12 million cumulative effect adjustment to decrease the opening balance of retained earnings as of January 1, 2020.

In April 2020, Whiting Petroleum filed for bankruptcy, and in September 2020, Whiting Petroleum completed its reorganization and emerged from bankruptcy. As a result of Whiting Petroleum's completed bankruptcy proceedings, as well as additional information regarding the guarantees obtained from the bankruptcy proceedings, the credit loss liability was decreased to \$5 million in 2020. The credit loss liability is recorded in "Other liabilities" on Alliant Energy's balance sheet as of December 31, 2020. In 2020, the pre-tax credit loss adjustment of \$7 million was recorded as a reduction in Alliant Energy's "Other operation and maintenance" expenses.

Non-utility Wind Farm in Oklahoma - In 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 \$74 million as of December 31, 2020 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, 2020 and 2019.

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, 2020, 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, 2020, such amounts for WPL were not material.

	Alliant Energy	IPL
Range of estimated future costs	\$11 - \$28	\$8 - \$22
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 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 and electric and gas distribution systems 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 expected credit losses and credit risk-related contingent features, respectively.

NOTE 17(g) MISO Transmission Owner Return on Equity Complaints - A group of MISO cooperative and municipal utilities previously filed complaints with FERC requesting a reduction to the base return on equity used by MISO transmission owners, including ITC and ATC. The first complaint covered the period from November 12, 2013 through February 11, 2015. In 2017, IPL and WPL received refunds related to the first complaint period, which were subsequently refunded to their retail and wholesale customers. The second complaint covered the period from February 12, 2015 through May 11, 2016. In November 2019, FERC issued an order on the previously filed complaints and reduced the base return on equity used by the MISO transmission owners to 9.88% effective for the first complaint period and subsequent to September 28, 2016. The November 2019 FERC order also dismissed the second complaint; therefore, FERC did not direct refunds to be made for that complaint. In May 2020, FERC issued an order in response to various rehearing requests and increased the base return on equity used by the MISO transmission owners from 9.88% to 10.02% for the first complaint period and subsequent to September 28, 2016, which reduces the refunds originally anticipated to be received by IPL and WPL as a result of FERC's November 2019 order.

In 2020, IPL and WPL received \$15 million and \$5 million, respectively, in refunds related to the FERC orders. In October 2020, FERC extended the time to complete additional refunds to September 2021. IPL currently expects that all refunds will be returned to its retail electric customers after refund amounts and timing are known and a refund plan is approved by the IUB. IPL currently expects that a portion of the refunds will be returned to its retail electric customers in 2021. Pursuant to PSCW authorization, WPL will retain the refunds to maintain its current retail electric base rates through the end of 2021. WPL currently expects that any refunds not utilized to maintain base rates would be returned to its customers in WPL's next retail electric rate review proceeding. Any further changes in FERC's decisions may have an impact on Alliant Energy's share of ATC's future earnings and customer costs.

NOTE 18. SEGMENTS OF BUSINESS

Alliant Energy - Alliant Energy's principal businesses as of December 31, 2020 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, Travero, 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):

2020	Utility				ATC Holdings,	Alliant Energy
	Electric	Gas	Other	Total	Non-utility, Parent and Other	Consolidated
Revenues	\$2,920	\$373	\$49	\$3,342	\$74	\$3,416
Depreciation and amortization	556	49	5	610	5	615
Operating income (loss)	643	74	(1)	716	24	740
Interest expense				243	32	275
Equity income from unconsolidated investments, net	(2)	—	—	(2)	(59)	(61)
Income tax expense (benefit)				(66)	9	(57)
Net income attributable to Alliant Energy common shareowners				573	41	614
Total assets	14,358	1,413	990	16,761	949	17,710
Investments in equity method subsidiaries	11	—	—	11	465	476
Construction and acquisition expenditures	1,109	182	2	1,293	73	1,366

2019	Utility				ATC Holdings,	Alliant Energy
	Electric	Gas	Other	Total	Non-utility, Parent and Other	Consolidated
Revenues	\$3,064	\$455	\$46	\$3,565	\$83	\$3,648
Depreciation and amortization	513	47	3	563	4	567
Operating income	679	70	1	750	28	778
Interest expense				229	44	273
Equity income from unconsolidated investments, net	(1)	—	—	(1)	(52)	(53)
Income tax expense (benefit)				73	(4)	69
Net income attributable to Alliant Energy common shareowners				517	40	557
Total assets	13,659	1,269	856	15,784	917	16,701
Investments in equity method subsidiaries	9	—	—	9	449	458
Construction and acquisition expenditures	1,439	100	—	1,539	101	1,640

2018	Utility				ATC Holdings,	Alliant Energy
	Electric	Gas	Other	Total	Non-utility, Parent and Other	Consolidated
Revenues	\$3,000	\$447	\$48	\$3,495	\$39	\$3,534
Depreciation and amortization	457	42	3	502	5	507
Operating income	610	53	1	664	30	694
Interest expense				217	30	247
Equity income from unconsolidated investments, net	(1)	—	—	(1)	(54)	(55)
Income taxes				33	15	48
Net income attributable to Alliant Energy common shareowners				472	40	512
Total assets	12,486	1,184	893	14,563	863	15,426
Investments in equity method subsidiaries	8	—	—	8	413	421
Construction and acquisition expenditures	1,422	147	—	1,569	65	1,634

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):

	2020	2019	2018
ATC billings to WPL	\$108	\$109	\$106
WPL billings to ATC	10	13	11

As of December 31, 2020 and 2019, WPL owed ATC net amounts of \$9 million and \$9 million, respectively.

In 2020, WPL received \$46 million from ATC related to construction deposits WPL previously provided ATC for transmission network upgrades for West Riverside, which is substantially recorded in "Other" in Alliant Energy's cash flows from investing activities.

Our leaders

BOARD OF DIRECTORS



John O. Larsen
Chair of the Board, President and Chief Executive Officer
Director since 2019
Age 57



Patrick E. Allen
Former Chief Financial Officer, Collins Aerospace
Director since 2011
Age 56



Michael D. Garcia
Former President of the Pulp and Paper Division of Domtar Corporation
Director since 2020
Age 56



Singleton B. McAllister
Of Counsel, Husch Blackwell
Director since 2001
Age 69



Roger K. Newport
Former Chief Executive Officer, AK Steel Holding Corp.
Director since 2018
Age 56



Dean C. Oestreich
Former Chair, Pioneer Hi-Bred International, Inc.
Director since 2005
Age 69



Thomas F. O'Toole
Associate Dean, Executive Education at the Kellogg School of Management of Northwestern University
Director since 2015
Age 63



Carol P. Sanders
President, Carol P. Sanders Consulting LLC
Director since 2005
Age 54



Susan D. Whiting
Former Vice Chair, Nielsen, N.V.
Director since 2013
Age 64

Information as of April 1, 2021. For detailed information on each board member, please refer to the proxy statement for the 2021 Annual Meeting of Shareowners.

CORPORATE OFFICERS

John O. Larsen [1988]*
Chair, President and CEO

Robert J. Durian [1992]*
Executive Vice President and Chief Financial Officer

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

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

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

James P. Brummond [2002]
Vice President

L. Diane Cooke [2019]
Vice President

Aimee L. Davis [2018]
Vice President

Linda K. Mattes [1982]
Vice President

Joel J. Schmidt [1988]
Vice President

Tom J. Tang [2020]
Vice President

Barbara P. Tormaschy [2016]
Vice President and Treasurer

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

Melissa A. Kehoe [2016]
Assistant Treasurer

Michelle Y. Yun [2016]
Assistant Corporate Secretary

*Executive officer as of April 1, 2021.

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

Stock exchange listings	Trading exchange	Trading symbol
Alliant Energy – Common stock	NASDAQ GSM	LNT
Interstate Power and Light Company – 5.1% Preferred	NASDAQ GSM	IPLDP

Alliant Energy common stock quarterly price ranges and dividends

Quarter	2020			2019		
	High	Low	Dividend	High	Low	Dividend
First	\$ 60.28	\$ 37.66	\$ 0.38	\$ 47.91	\$ 40.75	\$ 0.355
Second	54.45	43.61	0.38	50.17	45.72	0.355
Third	55.60	47.52	0.38	54.59	48.48	0.355
Fourth	58.10	47.61	0.38	55.40	50.93	0.355
Year	60.28	37.66	1.52	55.40	40.75	1.42

Alliant Energy Corporation 2020 year-end common stock closing price: \$51.53.

2021 record and dividend payment dates

Anticipated record and payment dates are as follows:

Common stock	
Record dates	Payment dates
Jan 29	Feb 16
Apr 30	May 17
Jul 30	Aug 16
Oct 29	Nov 15

Alliant Energy Corporation had 23,282 shareowners of record as of December 31, 2020. Shareowner records were maintained by EQ Shareowner Services in Mendota Heights, Minn.

Annual Meeting

The 2021 Annual Meeting of Shareowners will be a virtual-only meeting (no physical location). The meeting will be held on Thursday, May 20, at 9 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/LNT2021 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, 2020, 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
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

View our Clean Energy Vision in our Corporate Responsibility Report

Our Corporate Responsibility Report (CRR) shows how we are putting clean energy and technology to work delivering on our company's Purpose to serve customers and build stronger communities. It's available online at alliantenergy.com/responsibility.

We continue to make smart, customer-focused investments to expand renewable energy and make innovative upgrades to our power grid. Our CRR shows progress on our Clean Energy Vision goals to reduce carbon dioxide emissions and water use. It also highlights our employees' efforts to care for others and make things better – both at work as well as in our communities. Take a look today!

alliantenergy.com/responsibility



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.

