



# Investor Fact Book

November 2020



# Safe harbor

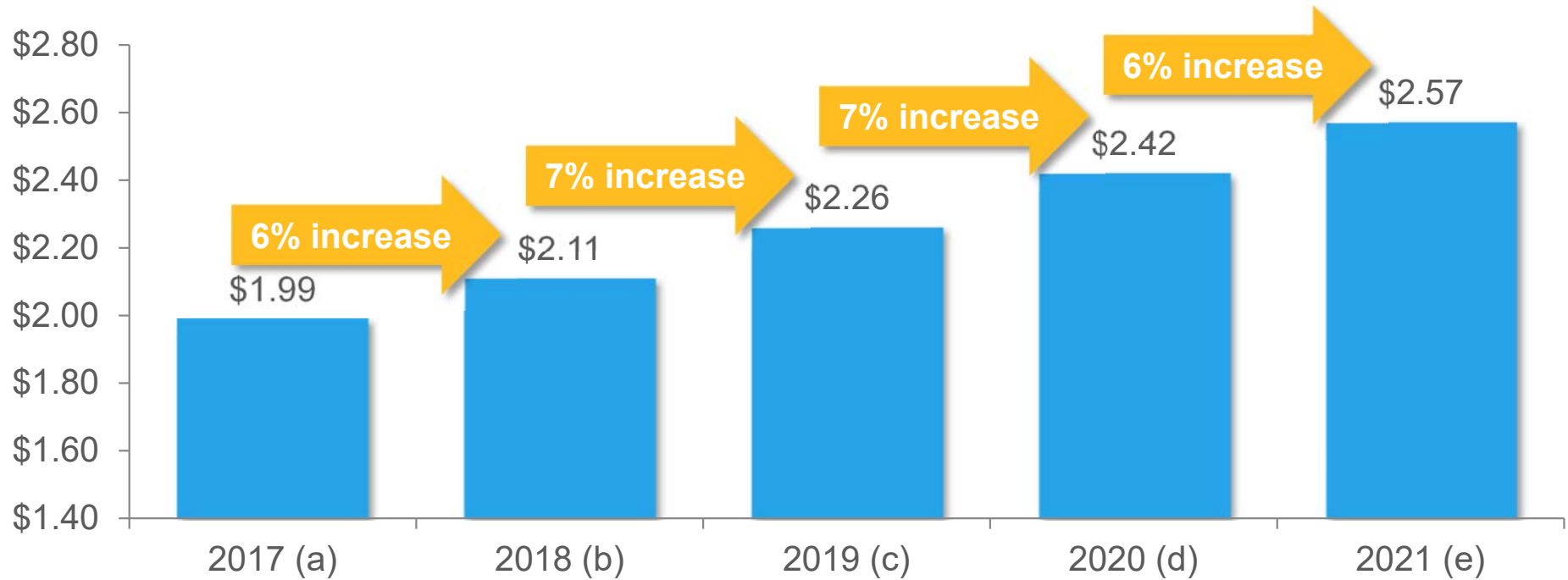
*This presentation contains statements that may be considered forward looking statements, such as management's expectations of financial objectives and projections, capital expenditures, earnings growth, plant retirements, rate base, and new generation plans. These statements speak of the Company's plans, goals, beliefs, or expectations, refer to estimates or use similar terms. Actual results could differ materially, because the realization of those results is subject to many uncertainties including regulatory approvals and results, unanticipated construction costs or delays, economic conditions in our service territories, and other factors, some of which are discussed in more detail in the Company's Form 10-K for the year ended December 31, 2019 and 10-Q for the quarter ended September 30, 2020. All forward looking statements included in this presentation are based upon information presently available and the Company assumes no obligation to update any forward looking statements.*

*In addition, this presentation contains non-GAAP financial measures. The reconciliations between the non-GAAP and GAAP measures are provided in this presentation.*

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## Earnings per Share Growth

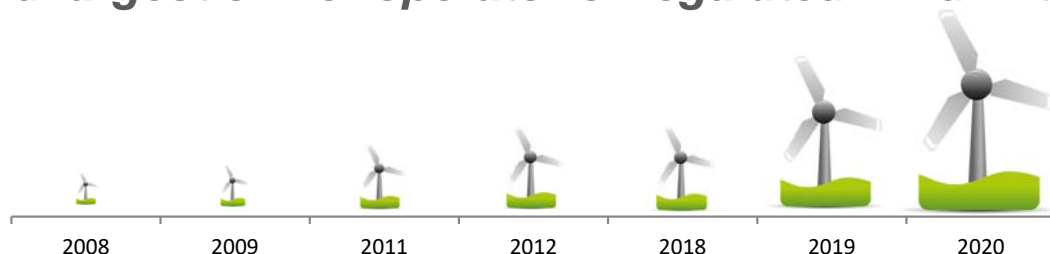


- (a) 2017 GAAP EPS from continuing operations was \$1.99. Non-GAAP EPS adjustments were (\$0.06) for temperature impacts, \$0.08 related to Federal Tax Reform and (\$0.02) for net write-down of regulatory assets due to IPL electric rate review settlement.
- (b) 2018 GAAP EPS from continuing operations was \$2.19. Non-GAAP EPS adjustments were \$0.06 for net temperature impacts and \$0.02 related to Federal Tax Reform.
- (c) 2019 GAAP EPS from continuing operations was \$2.33. Non-GAAP EPS adjustments were \$0.05 for net temperature impacts and \$0.02 for American Transmission Company (ATC) Holdings return on equity reserve adjustments.
- (d) Midpoint of 2020 GAAP EPS guidance range from continuing operations is estimated to be \$2.45. Non-GAAP EPS adjustments were \$0.01 for net temperature impacts and \$0.02 for Guarantee for Affiliate of Whiting Petroleum
- (e) 2021 midpoint of EPS guidance range

# Wind generation investments

Third largest owner operator of regulated wind in the US

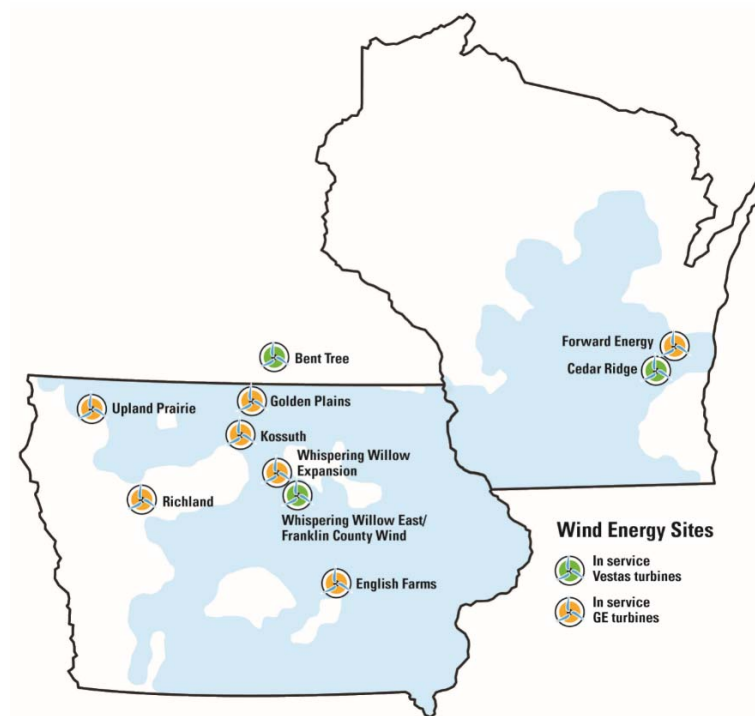
Over  
1,700 MW



Project*	Owner	Size (MW)	NCF **	In-service
Cedar Ridge	WPL	68 MW	30%	2008
Forward Energy	WPL	59 MW (of 129)	27%	2008
Whispering Willow East	IPL	299 MW	34%	2009
Franklin County				2012
Bent Tree	WPL	201 MW	29%	2011
Upland Prairie	IPL	299 MW	40%***	2019
English Farms	IPL	171 MW	39%***	2019
Whispering Willow Expansion	IPL	201 MW	47% - 49%	2020
Golden Plains	IPL	200 MW	46% - 48%	2020
Richland	IPL	130 MW	44% - 46%	2020
Kossuth	WPL	150 MW	45% - 47%	2020

\*All projects have received regulatory approval  
\*\*\* NCF Data: October, 2019 – September, 2020

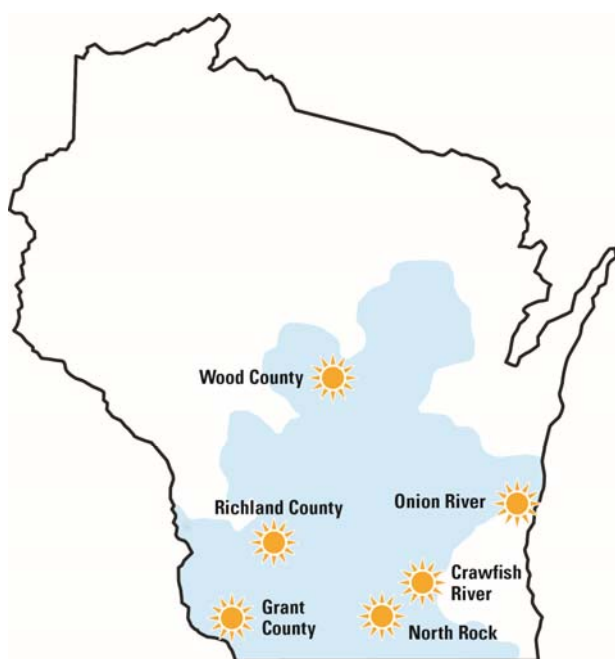
\*\*NCF = Net Capacity Factor for 2019 for developed sites



**Wind Energy Sites**  
 In service Vestas turbines  
 In service GE turbines

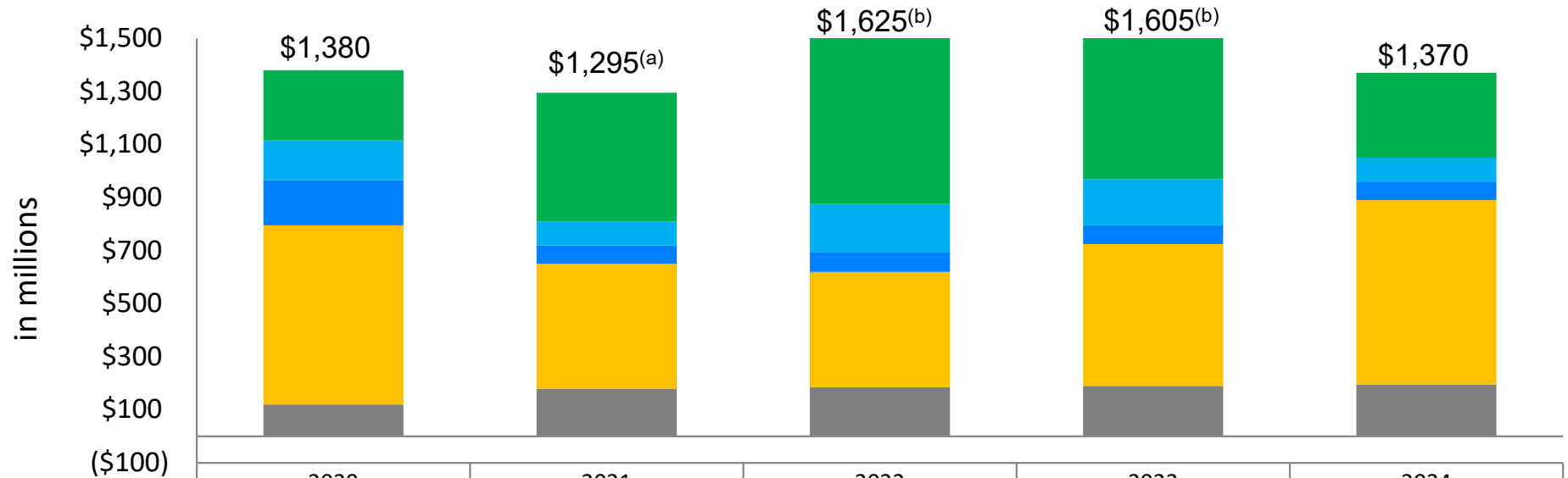
# Growing solar generation investments

*Adding up to 1.4 GW of solar by end of 2023*



	IPL Solar	WPL solar
Regulatory approval	Expect to file advance ratemaking principles Q2 2021.	Decision expected Q2 2021 for 675 MW certificate of authority (CA) (6680-CE-182). 325 MW CA to be filed 1H 2021.
Investments in capital expenditure plan	~\$540 million	~\$1,260 million
Forecasted tax equity proceeds	~\$205 million	~\$485 million
Commercial operation timing	Up to 400 MW in 2023	425 MW in 2022, 575 MW in 2023
Investment tax credits (ITC)	30% ITC qualification for entire plan	
Tax equity accounting	Partnership flip structure. Treated like regular rate base.	
Initial accredited capacity factor	50% of the maximum alternating current (AC) capacity	
Expected depreciable life	30 years	

## Forecasted Capital Expenditures *(excluding CWIP)*

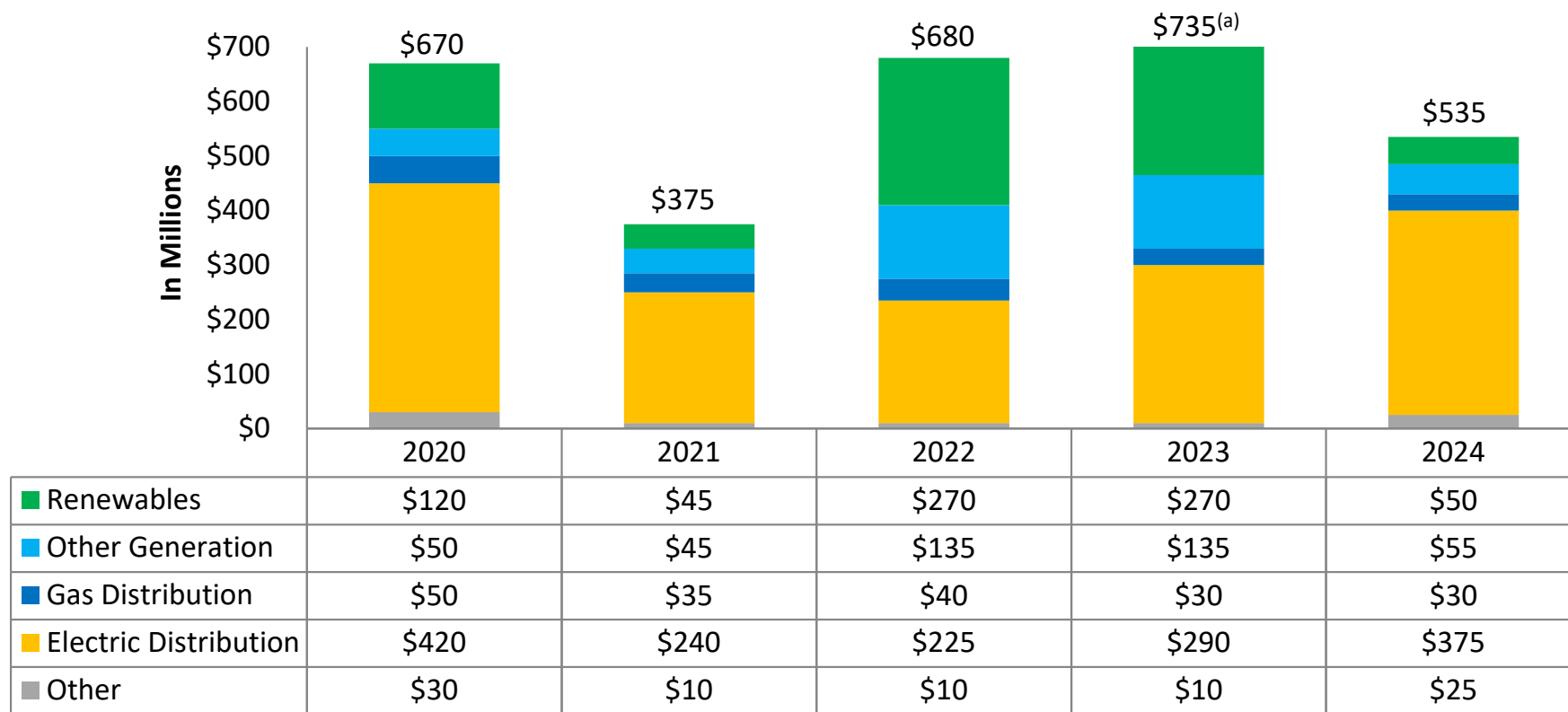


	2020	2021	2022	2023	2024
Renewables	265	485	750	635	320
Other Generation	150	90	180	175	90
Gas Distribution	170	70	75	70	70
Electric Distribution	675	470	435	535	695
Other	120	180	185	190	195

(a) We have received regulatory approval to earn a return on and of the \$110 million DAEC PPA Termination payment in 2020. This payment is not part of the capital expenditure plan.

(b) Anticipate receiving tax equity funding of approximately \$210 million in 2022 and \$480 million in 2023. This funding will be an offset to capital expenditures and reduce rate base.

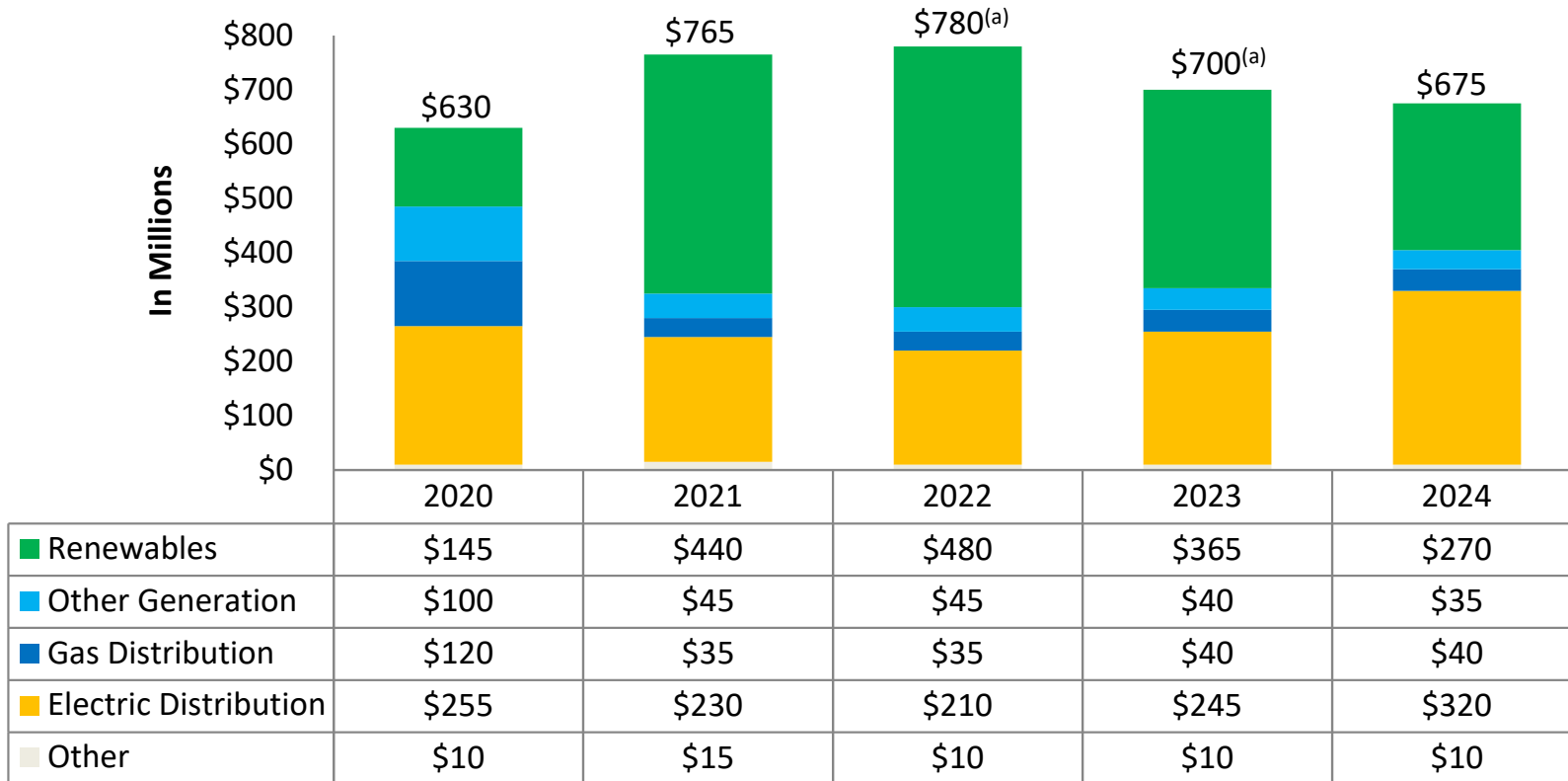
## IPL Forecasted Capital Expenditures *(excluding CWIP)*



(a) Anticipate receiving tax equity funding of approximately \$205 million in 2023. This funding will be an offset to capital expenditures and reduce rate base.

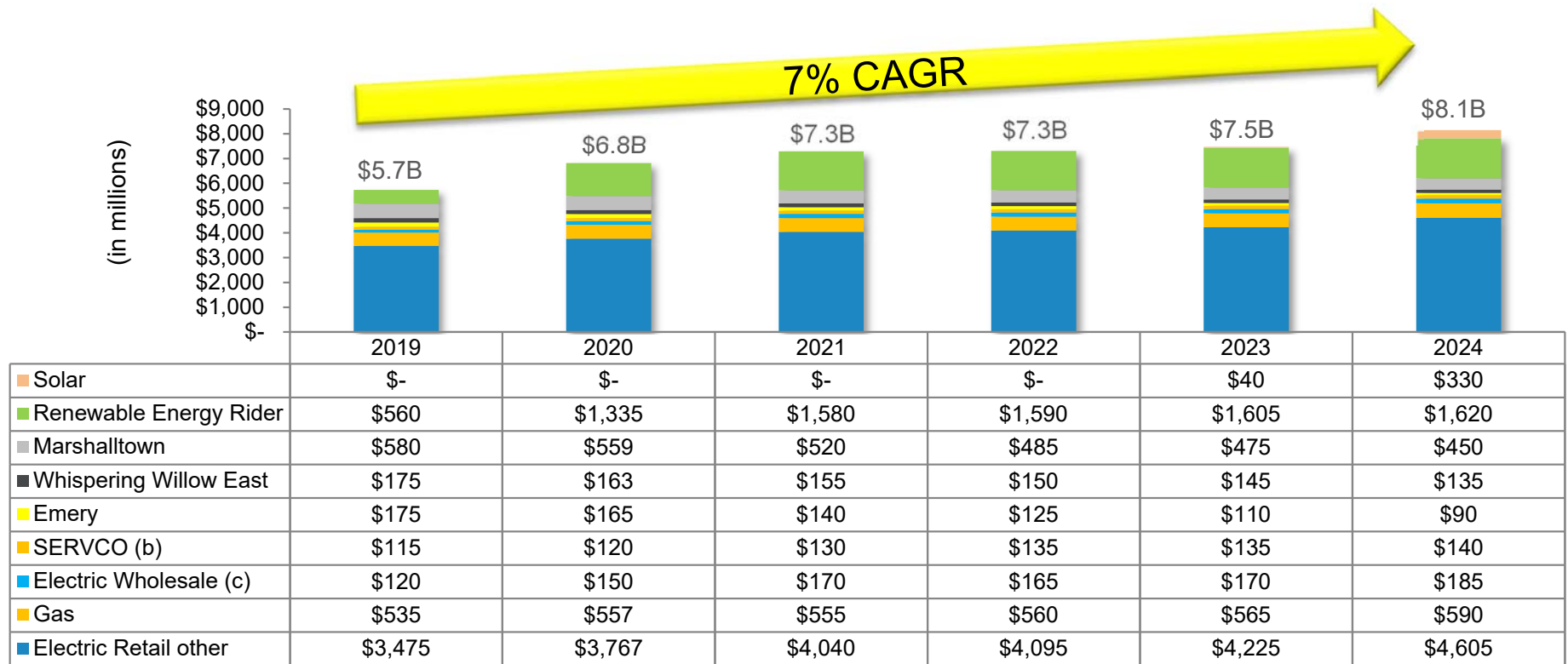


# WPL Forecasted Capital Expenditures (excluding CWIP)



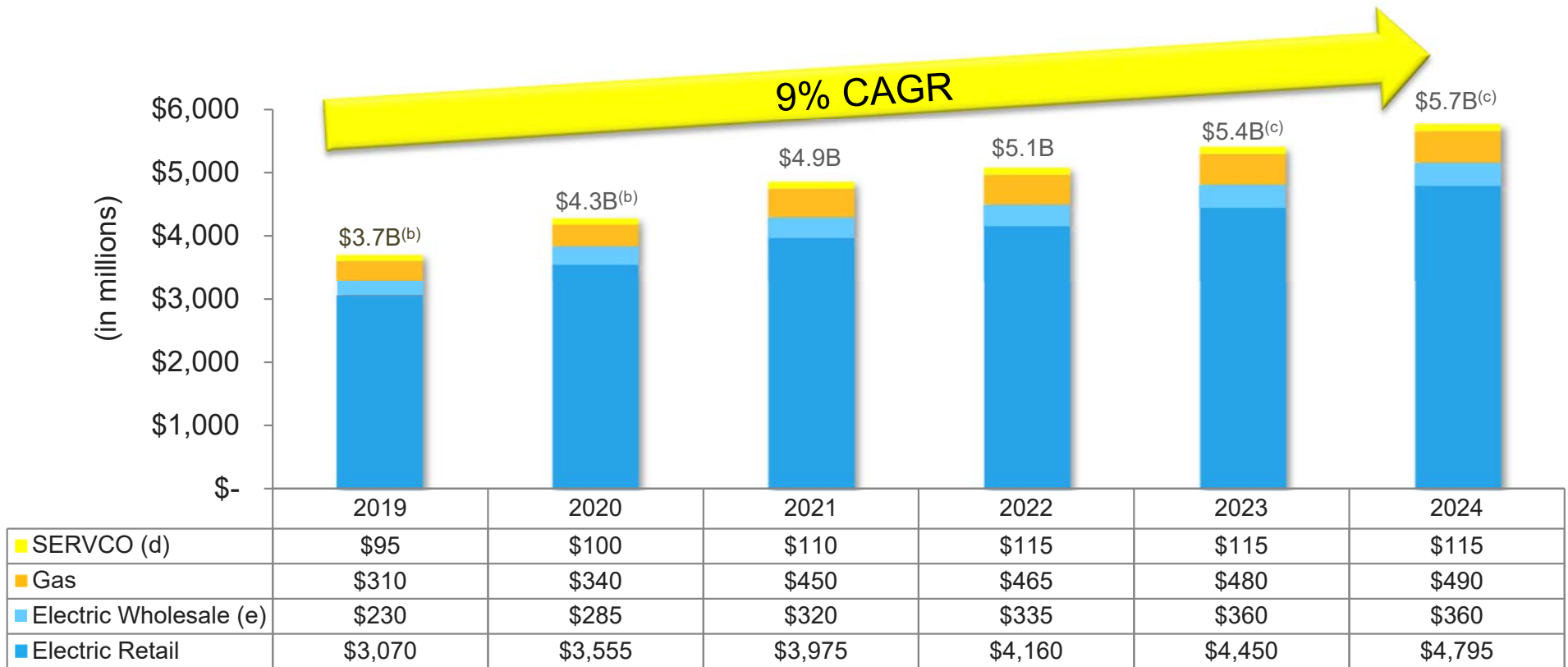
(a) Anticipate receiving tax equity funding of approximately \$210 million in 2022 and \$275 million in 2023. This funding will be an offset to capital expenditures and reduce rate base.

# Projected 13-month average IPL rate base for 2019-2024<sup>(a)</sup>



- (a) CWIP is not included in rate base; 2019-2024 excess deferred taxes due to Federal Tax Reform receive equivalent of rate base treatment
- (b) Alliant Energy Corporate Services (SERVCO) assets not reflected in rate base for IPL retail or wholesale rates, but rather return on and of SERVCO assets are reflected in revenue requirement
- (c) Federal Energy Regulatory Commission (FERC) formula rates based on a two-point average (beginning and end of year)

# Projected 13-month average WPL rate base for 2019-2024<sup>(a)</sup>

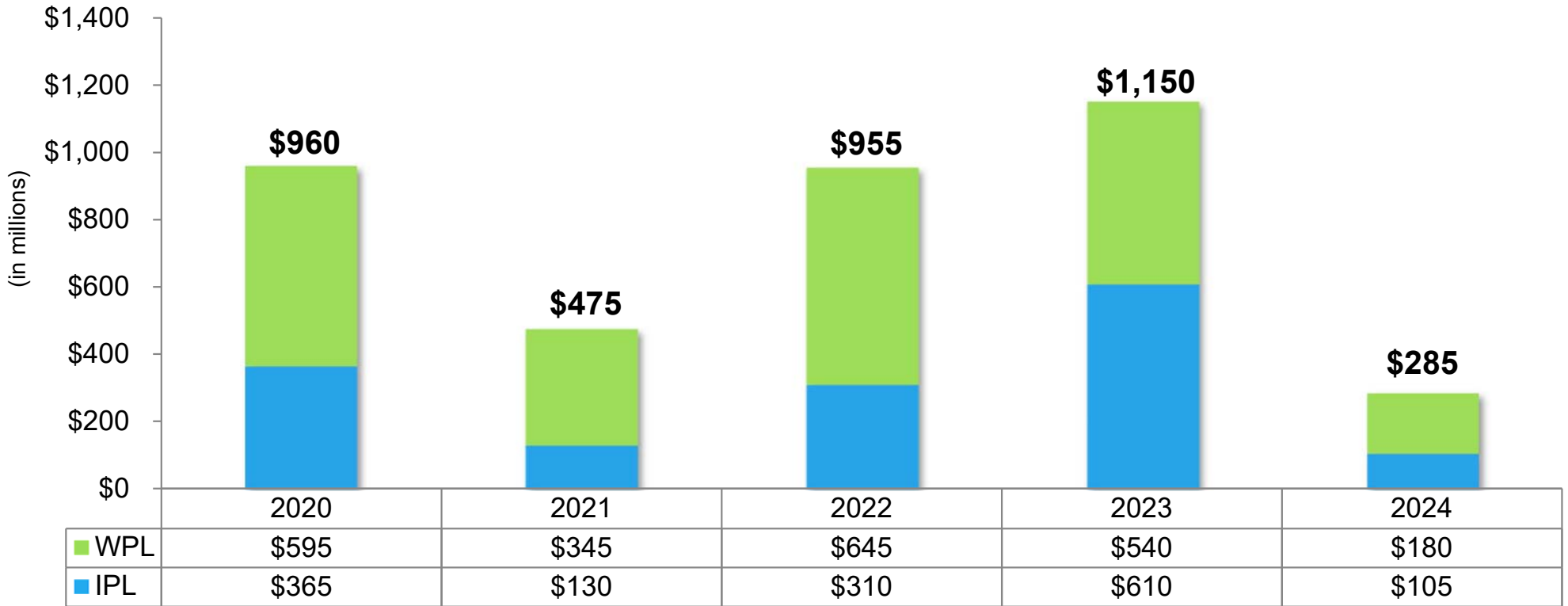


- a) CWIP is not included in rate base
- b) 2019 and 2020 rate base amounts will not tie to rate base per PSCW rate decision. Excess deferred income taxes are included.
- c) 2023 and 2024 rate base adjusted under the assumption that WPS and MGE exercise their options on West Riverside ownership
- d) SERVCO assets not reflected in rate base, but rather return on and of SERVCO assets are reflected in revenue requirement
- e) FERC formula rates based on a two-point average (beginning and end of year)

# Earning AFUDC on investments under construction










13-month average forecasted CWIP balances

**Projected AFUDC rates for 2021 IPL ~7.6% WPL ~7.0%**



CWIP balances include AFUDC eligible CWIP and, in the case of WPL, portions of CWIP that earn a current return in rate-making processes (typically 50% of CWIP). For IPL, CWIP amounts are not included in rate base.

## Constructive regulatory framework

Revenues and expenses recovered under “Riders”	IPL Iowa retail	WPL Wisconsin retail
Renewable Energy Rider (RPU I and RPU II) <sup>(a)</sup>		
Electric production fuel and energy purchases (WPL includes emission allowances and chemicals to reduce emissions; IPL only includes emission allowances)		 ± 2%
Transmission service <sup>(b)</sup>		
Energy efficiency <sup>(b)</sup>		
Cost of gas		
% of 2019 utility operating expenses flowing through riders	~60%	~60%
Test year	Optional for either a forward looking or historical	Two-year forward looking
Authorized ROEs	~10%	10%
Authorized Common Equity Ratio	51%	52% - 53%
Large construction projects	Advance ratemaking for generation	Pre-approval

(a) Includes forecasted return of and on (ROE 11%) for 1,000 MW of wind, return on production tax credit (PTC) carryforward balance (ROE 5%), PTC and capacity value benefits; excludes operation and maintenance (O&M) expenses and energy margins. O&M will be recovered in base rates and energy margins will be recovered in the fuel cost rider.

(b) Escrow accounting for WPL

## IPL retail electric and gas rates for test period 2020 (RPU-2019-0001 and RPU-2019-0002)

- Retail electric revenue requirement increase of \$127 million
  - Billing credits for electric retail customers of approximately \$35 million
    - Approximately \$27 million resulting from the use of the unprotected excess deferred income tax benefits
    - Approximately \$8 million in credits from a partial refund of interim rates implemented in 2019
- Renewable Energy Rider for wind facilities constructed as part of New Wind 1 (RPU-2016-0005) and New Wind II (RPU-2017-0002)
- Continuation of current depreciation rates
- Retail gas revenue requirement increase of \$12 million
- Written gas and electric orders issued December 18, 2019 and January 8, 2020, respectively.

(\$ in millions)	Electric		Gas	
	Rate base <sup>(a)</sup>	Return on equity	Rate Base	Return on equity
Emery	\$165	12.23%	--	--
Whispering Willow East	\$163	11.70%	--	--
Marshalltown Generating Station	\$559	11.00%	--	--
Renewable Energy Rider	\$1,335	10.65% <sup>(a)</sup>	--	--
Other retail rate base	\$3,767	9.50%	\$557	9.60%
Common equity component of regulatory capital structure	51.0%		51.0%	

(a) Blended ROE for Renewable Rider eligible investments pursuant to settlement agreement filed with the Iowa Utilities Board in Docket RPU-2019-0001

## DAEC PPA amendment (SPU-2018-0008)

- Replacing Iowa nuclear energy with additive Iowa wind energy.
- Significant customer cost reductions as a result of this agreement including nearly \$300 million in energy cost savings, or a 2% to 3% reduction in a customer's bill, depending on customer class, starting in 2021.
- IPL's purchase power agreement (PPA) with NextEra Energy Duane Arnold, LLC for energy and capacity from DAEC terminated October 1, 2020, five years earlier than initial expiration.
- One-time payment to buyout current PPA in the amount of \$110 million in September 2020. The IUB approved recovery of the buyout payment with IPL's 2020 Test Period retail electric rate review, which will be recovered from IPL's retail customers over a 5-year period following the payment.
- Enter into 20-year wind repower PPAs ~340 MW commencing in 2020 and 2021.

## Rate base, common equity percentage and return on equity

	Rate base \$'s in millions	Common equity %	Authorized ROE	Effective Date
<b>IPL (Iowa)</b>				
Emery Generating Station	\$165	51.0%	12.23%	2/26/2020
Whispering Willow East <sup>(a)</sup>	\$163	51.0%	11.70%	2/26/2020
Marshalltown Generating Station	\$559	51.0%	11.00%	2/26/2020
Renewable energy rider	\$1,335	51.0%	10.65% <sup>(c)</sup>	2/26/2020
All Other Retail Electric Service	\$3,767	51.0%	9.50%	2/26/2020
Gas Service	\$557	51.0%	9.60%	1/10/2020
<b>WPL (Wisconsin)</b>				
Retail Electric Service	\$3,555 <sup>(b)</sup>	52.5%	10.00%	1/1/2020
Gas Service	\$340 <sup>(b)</sup>	52.5%	10.00%	1/1/2020
<b>FERC</b>				
WPL Wholesale	\$285	55.0%	10.90%	1/1/2020
IPL Wholesale	\$150	50.0%	10.97%	1/1/2020

(a) Excludes \$18 million for Whispering Willow East that is not earning a return

(b) Average rate base amounts are lower than those stated in the 2019-2020 Test Year decision due to impacts of accounting and rate making treatment of excess deferred tax balances authorized by the PSCW. The net impact on revenue requirements from the higher rate base amounts and lower adjusted cost of capital amounts in the order versus this presentation is not material.

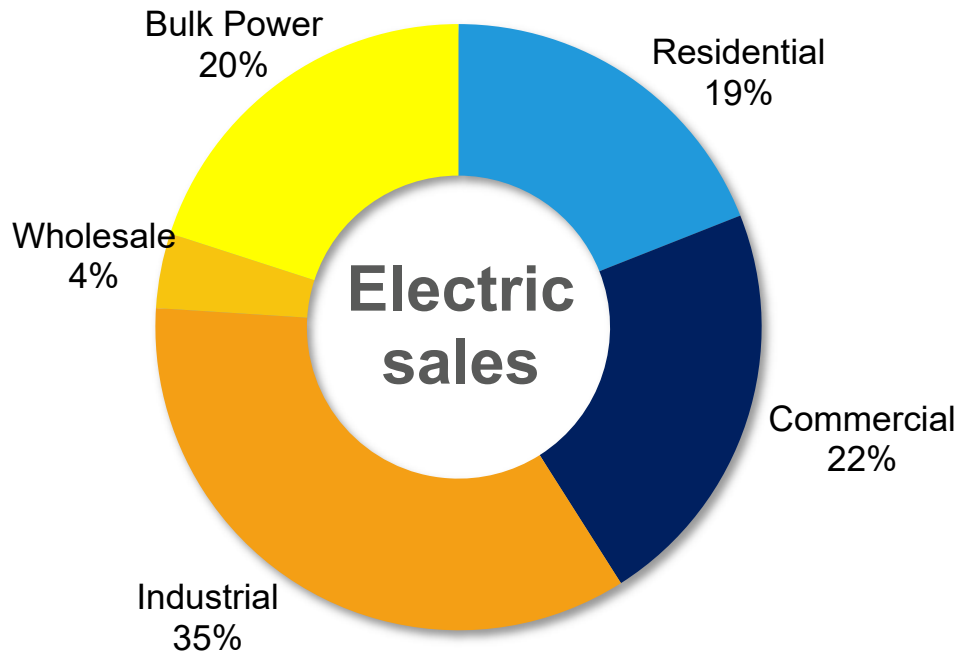
(c) Blended ROE for Renewable Rider eligible investments pursuant to settlement agreement filed with the Iowa Utilities Board in Docket RPU-2019-0001



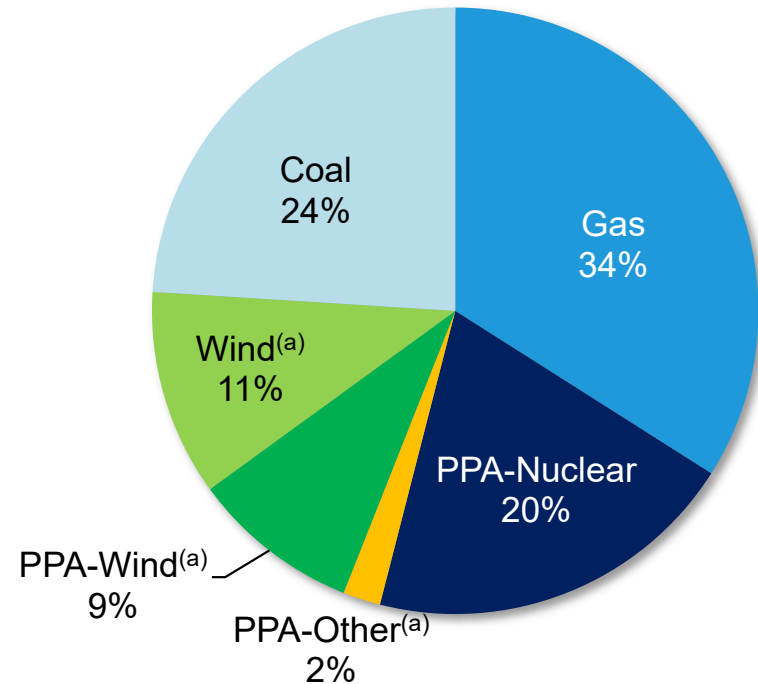
## Credit ratings

Credit ratings	Moody's	S&P
AEC – Corporate/issuer	Baa2 (Stable)	A- (Stable)
AEC – Commercial Paper	P-2	A-2
IPL – Unsecured long-term debt	Baa1 (Stable)	A- (Stable)
IPL – Commercial Paper	P-2	A-2
WPL – Unsecured long-term debt	A3 (Stable)	A (Stable)
WPL – Commercial Paper	P-2	A-1

## IPL operating information (Calendar year 2019)

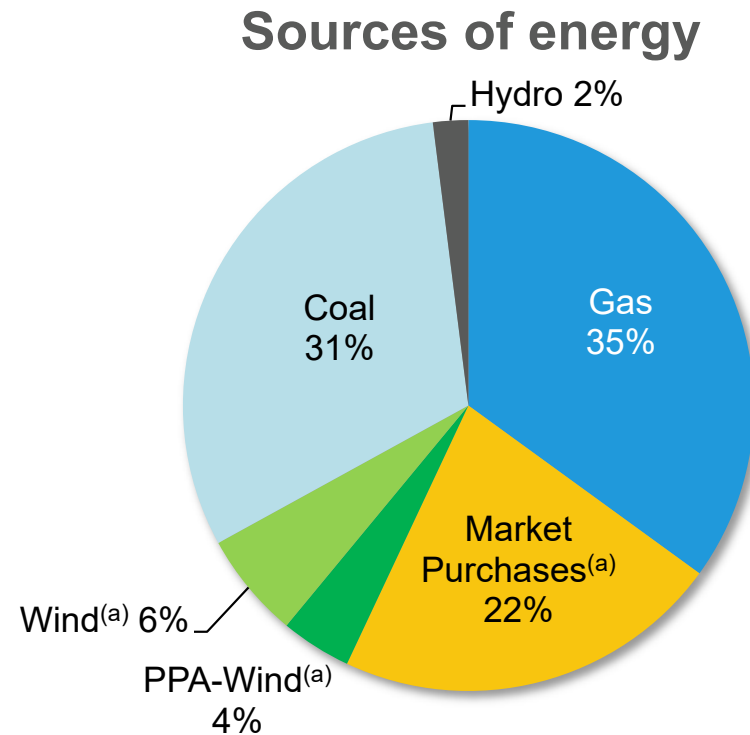
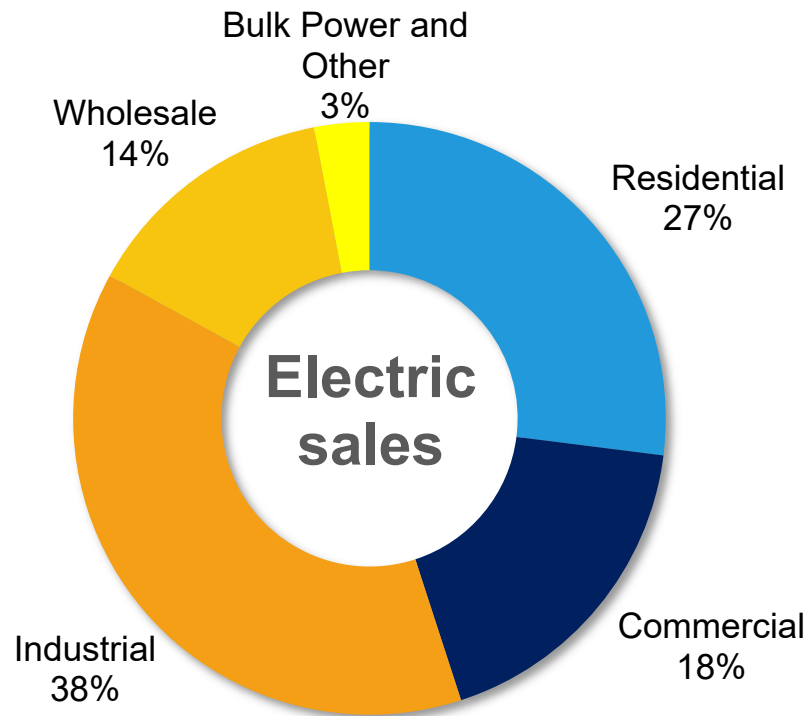


## Sources of energy



(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.

## WPL operating information (Calendar year 2019)

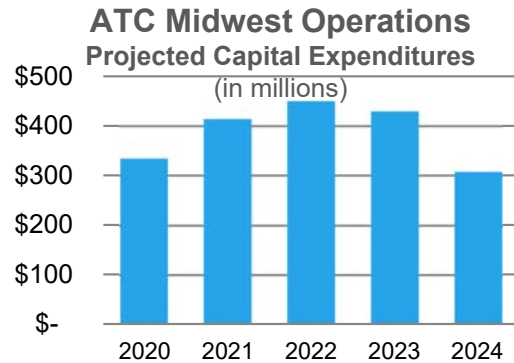


(a) All or some of the renewable energy attributes associated with generation from these sources may be used in future years to comply with renewable energy standards or other regulatory requirements.

# ATC equity investment

## ATC LLC's Midwest Operations (16% equity ownership interest):

- 2019 equity income \$45.3 million
- Projected capital expenditures of \$2.9 to \$3.5 billion over 10 years from 2020-2029



- Rate Base: 2019 13-month average rate base approx. \$3.9 billion
- Authorized ROE 10.52%
  - Base ROE decision of 10.02% in May 2020. Petitioners in the complaint proceedings have filed a petition to the D.C. Circuit Court to review FERC's MISO ROE orders.
- Capital structure: Hypothetical 50% equity component
- Annual true-up mechanism for revenue requirement
- Current return on CWIP



# Non-utility operations

## Travero



- CRANDIC (Cedar Rapids and Iowa City Railway)
  - In eastern Iowa for over 110 years
  - Serves the largest shippers
  - Supports economic development in Cedar Rapids area
- Barge terminal and hauling services on the Mississippi River
- Customized supply chain solution capabilities
- Freight and logistics brokering services
- Other transfer and storage services

## Great Western Wind



- 50% of a cash equity ownership interest
- 225 MW Oklahoma wind project
- 15 year PPA with Google
- Commissioned in December 2016

## Sheboygan Falls



- 347 MW gas peaking facility
- Commissioned in June 2005
- 20 year lease, with option for two lease renewal periods, with WPL