

# RPU-2009-0002

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**ARTICLES OF AMENDMENT**  
relating to  
**4.36% PREFERRED STOCK**  
**4.68% PREFERRED STOCK**  
**7.76% PREFERRED STOCK AND**  
**6.40% PREFERRED STOCK**  
of  
**IES UTILITIES INC.**

20559

**FILED WITH**  
**Executive Secretary**  
**July 17, 2009**

Pursuant to Sections 490.602 and 490.1002  
of the Iowa Business Corporation Act

**IOWA UTILITIES BOARD**

517503 AMEND C \$50.00 DJC

I, Edward M. Gleason, Vice President-Treasurer and Corporate Secretary of IES Utilities Inc., a corporation organized and existing under the Iowa Business Corporation Act (the "Company"), in accordance with the provisions of Sections 490.602 and 490.1002 thereof, DO HEREBY CERTIFY THAT:

1. Pursuant to the authority conferred upon the Board of Directors of the Company by its Amended and Restated Articles of Incorporation, and in accordance with the provisions of Sections 490.602 and 490.1002 of the Iowa Business Corporation Act, the Board of Directors of the Company duly adopted a resolution on November 29, 2000, creating four series of shares of Class A Preferred Stock, \$50 par value per share, of the Company, designated as 4.36% Preferred Stock, 4.68% Preferred Stock, 7.76% Preferred Stock and 6.40% Preferred Stock.

2. Said resolution of the Board of Directors of the Company creating the series designated as 4.36% Preferred Stock provides that said series shall have such designations and number of shares and such preferences, limitations and relative rights as are set forth in the paragraphs below, which paragraphs shall constitute Subparagraph (i) under Paragraph III of the enumeration of the designations, rights, preferences and conditions of the Class A Preferred Stock of the Company set forth in Section 2 of Article IV of the Amended and Restated Articles of Incorporation of the Company:

(i) **4.36% Preferred Stock**

The Corporation has established a "4.36% Preferred Stock", consisting initially of 200,000 authorized shares of the par value of \$50 per share.

The terms of the "4.36% Preferred Stock", in the respects in which the shares of such series may vary from shares of other series of the Class A Preferred Stock (in addition to the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, set forth elsewhere in this Class A Part, which are applicable to the Class A Preferred Stock of the par value of \$50 per share of all series) shall be as follows:

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(a) The dividend rate of the 4.36% Preferred Stock shall be 4.36% per share per annum upon the par value thereof payable quarterly on the first days of January, April, July and October in each year (the quarterly periods ending on the first days of such months, respectively, to be designated as dividend periods) and the date from which dividends on shares of the 4.36% Preferred Stock shall be cumulative shall be January 1, 2002.

(b) The prices at which the 4.36% Preferred Stock may be redeemed at the option of the Corporation, on the terms and conditions specified in Paragraph XIV of this Class A Part, shall be \$53.30 per share, if redeemed on or before December 1, 1959, \$52.80 per share if redeemed thereafter and on or before December 1, 1964, and \$52.30 per share if redeemed after December 1, 1964, plus, as provided in said Paragraph XIV, an amount equal to full cumulative dividends thereon to the redemption date.

(c) The amounts payable upon the shares of 4.36% Preferred Stock in the event of any voluntary liquidation or dissolution or winding up of the Corporation shall be an amount equal to the redemption price (exclusive of dividends) specified in Paragraph (b) hereof above, then in effect, plus, as provided in Paragraph XII of this Class A Part, an amount equal to full cumulative dividends thereon to the date of final distribution to the holders of the Class A Preferred Stock.

3. Said resolution of the Board of Directors of the Company creating the series designated as 4.68% Preferred Stock provides that said series shall have such designations and number of shares and such preferences, limitations and relative rights as are set forth in the paragraphs below, which paragraphs shall constitute Subparagraph (ii) under Paragraph III of the enumeration of the designations, rights, preferences and conditions of the Class A Preferred Stock of the Company set forth in Section 2 of Article IV of the Amended and Restated Articles of Incorporation of the Company:

(ii) 4.68% Preferred Stock

The Corporation has established a "4.68% Preferred Stock" consisting initially of 166,000 authorized shares of the par value of \$50 per share.

The terms of the "4.68% Preferred Stock", in the respects in which the shares of such series may vary from shares of other series of the Class A Preferred Stock (in addition to the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, set forth elsewhere in this Class A Part, which are applicable to the Class A Preferred Stock of the par value of \$50 per share of all series) shall be as follows:

(a) The dividend rate of the 4.68% Preferred Stock shall be 4.68% per share per annum upon the par value thereof payable quarterly on the first days of January, April, July and October in each year (the quarterly periods ending on the first days of

such months respectively, to be designated as dividend periods) and the date from which dividends on shares of the 4.68% Preferred Stock shall be cumulative shall be January 1, 2002.

(b) The prices at which the 4.68% Preferred Stock may be redeemed at the option of the Corporation, on the terms and conditions specified in Paragraph XIV of this Class A Part, shall be \$53.22 per share, if redeemed on or before May 1, 1970, \$52.37 per share if redeemed thereafter and on or before May 1, 1975, and \$51.62 per share if redeemed after May 1, 1975, plus, as provided in said Paragraph XIV, an amount equal to full cumulative dividends thereon to the redemption date.

(c) The amounts payable upon the shares of 4.68% Preferred Stock in the event of any voluntary liquidation or dissolution or winding up of the Corporation shall be an amount equal to the redemption price (exclusive of dividends) specified in Paragraph (b) hereof above, then in effect, plus, as provided in Paragraph XII of this Class A Part, an amount equal to full cumulative dividends thereon to the date of final distribution to the holders of the Class A Preferred Stock.

4. Said resolution of the Board of Directors of the Company creating the series designated as 7.76% Preferred Stock provides that said series shall have such designations and number of shares and such preferences, limitations and relative rights as are set forth in the paragraphs below, which paragraphs shall constitute Subparagraph (iii) under Paragraph III of the enumeration of the designations, rights, preferences and conditions of the Class A Preferred Stock of the Company set forth in Section 2 of Article IV of the Amended and Restated Articles of Incorporation of the Company:

(iii) 7.76% Preferred Stock

The Corporation has established a "7.76% Preferred Stock", consisting initially of 100,000 authorized shares of the par value of \$50 per share.

The terms of the "7.76% Preferred Stock", in the respects in which the shares of such series may vary from shares of other series of the Class A Preferred Stock (in addition to the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, set forth elsewhere in this Class A Part, which are applicable to the Class A Preferred Stock of the par value of \$50 per share of all series) shall be as follows:

(a) The dividend rate of the 7.76% Preferred Stock shall be 7.76% per share per annum upon the par value thereof payable quarterly on the first days of January, April, July and October in each year (the quarterly periods ending on the first days of such months, respectively, to be designated as dividend periods) and the date from which dividends on shares of the 7.76% Preferred Stock shall be cumulative shall be January 1, 2002.

(b) The prices at which the 7.76% Preferred Stock may be redeemed at the option of the Corporation, on the terms and conditions specified in Paragraph XIV of this Class A Part, shall be \$58.82 per share, if redeemed on or before May 1, 1974, \$53.97 per share if redeemed thereafter and on or before May 1, 1979, and \$53.00 per share if redeemed thereafter and on or before May 1, 1984, and \$52.03 per share if redeemed after May 1, 1984, plus, as provided in said Paragraph XIV, an amount equal to full cumulative dividends thereon to the redemption date.

(c) The amounts payable upon the shares of 7.76% Preferred Stock in the event of any voluntary liquidation or dissolution or winding up of the Corporation shall be an amount equal to the redemption price (exclusive of dividends) specified in Paragraph (b) hereof above, then in effect, plus, as provided in Paragraph XII of this Class A Part, an amount equal to full cumulative dividends thereon to the date of final distribution to the holders of the Class A Preferred Stock.

5. Said resolution of the Board of Directors of the Company creating the series designated as 6.40% Preferred Stock provides that said series shall have such designations and number of shares and such preferences, limitations and relative rights as are set forth in the paragraphs below, which paragraphs shall constitute Subparagraph (iv) under Paragraph III of the enumeration of the designations, rights, preferences and conditions of the Class A Preferred Stock of the Company set forth in Section 2 of Article IV of the Amended and Restated Articles of Incorporation of the Company:

(iv) 6.40% Preferred Stock

The Corporation has established a "6.40% Preferred Stock", consisting initially of 545,000 authorized shares of the par value of \$50 per share.

The terms of the "6.40% Preferred Stock", in the respects in which the shares of such series may vary from shares of other series of the Class A Preferred Stock (in addition to the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, set forth elsewhere in this Class A Part, which are applicable to the Class A Preferred Stock of the par value of \$50 per share of all series) shall be as follows:

(a) The dividend rate of the 6.40% Preferred Stock shall be 6.40% per share per annum upon the par value thereof payable quarterly on the first days of January, April, July and October in each year (the quarterly periods ending on the first days of such months, respectively, to be designated as dividend periods) and the date from which dividends on shares of the 6.40% Preferred Stock shall be cumulative shall be January 1, 2002.

(b) The prices at which the 6.40% Preferred Stock may be redeemed at the option of the Corporation, otherwise than for sinking fund purposes, on the terms and conditions specified in Paragraph XIV of this Class A Part, shall be \$53.20 per share,

if redeemed on or before May 1, 2003, \$51.60 per share if redeemed thereafter and on or before May 1, 2009, and \$50.80 per share if redeemed thereafter and on or before May 1, 2014, and \$50 per share, if redeemed after May 1, 2014, plus, as provided in said Paragraph XIV, an amount equal to full cumulative dividends thereon to the redemption date; except \$50 per share if redeemed at any time for the sinking fund, plus, in each case, accrued dividends to the date of redemption; provided, however, that prior to May 1, 2003, none of the shares may be redeemed pursuant to this paragraph (b) if such redemption is for the purpose or in anticipation of refunding any shares through the use, directly or indirectly, of funds borrowed by the Company, or through the use, directly or indirectly, of funds derived through the issuance by the Company of stock ranking prior to or on a parity with the 6.40% Preferred Stock, as to dividends or assets, if such borrowed funds have an interest rate or an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock has a dividend rate or cost (so computed) of less than 6.40% per annum.

(c) The amounts payable upon the shares of 6.40% Preferred Stock, in the event of any voluntary liquidation or dissolution or winding up of the Corporation shall be an amount equal to the redemption price (exclusive of dividends) specified in Paragraph (b) hereof above, then in effect, plus, as provided in Paragraph XII of this Class A Part, an amount equal to full cumulative dividends thereon to the date of final distribution to the holders of the Class A Preferred Stock.

(d) The holders of shares of 6.40% Preferred Stock shall be entitled to the benefit of a sinking fund as follows: on May 1, 2003 and on each May 1 (except that the final redemption shall be on May 1, 2022) thereafter the Corporation shall redeem out of funds legally available therefor 27,250 shares of this series (or the number of shares then outstanding if less than 27,250) at a sinking fund redemption price equal to \$50 per share plus accrued and unpaid dividends to the redemption date; on May 1, 2008, and on each May 1 thereafter the Corporation shall have the noncumulative option to redeem up to an additional 27,250 shares of this series at a sinking fund redemption price equal to \$50 per share plus accrued and unpaid dividends to the redemption date; all shares redeemed by the Corporation pursuant to the foregoing provisions shall be canceled; in the event that the Corporation shall at any time be in default in the performance of its obligations under the foregoing provisions of this Paragraph (d), no dividends (other than dividends payable in Common Stock) shall be paid or any other distribution of assets made, by purchase of shares or otherwise, on Common Stock or any other stock of the Corporation over which the Class A Preferred Stock has preference as to the payment of dividends or as to assets.

6. The amendment creating the 4.36% Preferred Stock, the 4.68% Preferred Stock, the 7.76% Preferred Stock and the 6.40% Preferred Stock was duly adopted by the Board of Directors of the Company in accordance with Section 490.1002 of the Iowa Business Corporation Act and shareowner action was not required.

These Articles of Amendment shall be effective at 5:01 p.m., Central Time, on the 20th day of December, 2001.

IN WITNESS WHEREOF, the undersigned has executed and subscribed these Articles of Amendment on behalf of the Company and does affirm the foregoing as true this 18th day of December, 2001.

By: *Edward M. Gleason*  
Edward M. Gleason  
Vice President-Treasurer and Corporate Secretary

*This instrument was drafted by and should be returned to Peter C. Underwood of the firm of  
Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, WI 53202.*

FILED  
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**ARTICLES OF MERGER  
OF  
INTERSTATE POWER COMPANY  
WITH AND INTO  
IES UTILITIES INC.**

**ARTICLE I**

The Agreement and Plan of Merger (the "Plan of Merger") relating to the merger (the "Merger") of Interstate Power Company, a Delaware corporation ("IPC") with and into IES Utilities, Inc., an Iowa corporation (the "Surviving Corporation"), is attached to these Articles of Merger as Exhibit A.

**ARTICLE II**

The shareholders of IPC approved the Plan of Merger on April 3, 2001, by the following votes, with all classes of capital stock listed below being entitled to vote together as a single class, and with the number of affirmative votes cast by all such shares of capital stock voting together as a single class on the Plan of Merger being sufficient for approval:

<u>Class</u>	<u>Number of Shares Outstanding and Entitled to Vote</u>	<u>Number of Affirmative Votes Cast</u>
Common Stock	9,777,432	9,777,432
4.36% Preferred Stock	60,455	--
4.68% Preferred Stock	55,926	--
7.76% Preferred Stock	100,000	--
6.40% Preferred Stock	545,000	--
Total Combined Class	10,538,813	9,777,432

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The shareholders of the Surviving Corporation approved the Plan of Merger on April 23, 2001, by the following votes, with the number of affirmative votes cast by each voting group entitled to vote separately on the Plan of Merger being sufficient for approval by such voting group:

<u>Class</u>	<u>Number of Shares Outstanding and Entitled to Vote</u>	<u>Number of Affirmative Votes Cast</u>
Common Stock	13,370,788	13,370,788
4.30% Preferred Stock	120,000	112,058
4.80% Preferred Stock	146,406	74,882
6.10% Preferred Stock	100,000	69,558

### ARTICLE III

These Articles of Merger shall be effective at 12:01 a.m., Central Time, on the 1<sup>st</sup> day of January, 2002.

Executed on behalf of the Surviving Corporation on the 18th day of December, 2001. —

By:



Edward M. Gleason  
Vice President-Treasurer and  
Corporate Secretary

*This instrument was drafted by, and should be returned to, Peter C. Underwood of Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.*

**AGREEMENT AND PLAN OF MERGER  
AS AMENDED  
BETWEEN  
IES UTILITIES, INC.  
AND  
INTERSTATE POWER COMPANY  
DATED AS OF MARCH 15, 2000**

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**AGREEMENT AND PLAN OF MERGER**, dated as of March 15, 2000 (the "Agreement"), between **IES Utilities, Inc.**, an Iowa corporation ("IES") and **Interstate Power Company**, a Delaware corporation ("IPW").

**WHEREAS**, upon full consideration of the best interests of IES and IPW, including a full consideration of certain community interest factors, that is, the effect of a merger of IES and IPW upon their respective shareholders, employees, suppliers, creditors, customers and the communities in which each company operates, both in the long term and the short term; and

**WHEREAS**, upon full consideration whether the interests of both companies may be best served by their continued independence.

**NOW, THEREFORE**, with the approvals of their respective Boards of Directors and subject to votes of their respective preferred shareholders required by law, IES and IPW hereby agree to a plan of merger of IPW into IES (the "Merger"), upon the following terms and conditions:

**ARTICLE I**

**THE MERGER**

1.1 **Effective Time of the Merger.** Subject to the provisions of this Agreement, certificates and/or articles of merger (the "Articles of Merger") shall be duly prepared, executed and acknowledged by the Surviving Corporation (as defined in Section 1.3) and thereafter delivered on the Closing Date (as defined in Section 1.2) to the respective Secretaries of State of the States of Iowa, Illinois, Delaware and Minnesota for filing, as provided in the respective business corporation laws of said states, as soon as practicable on or after the Closing Date. The Merger shall become effective upon the last filing of the Articles of Merger by a said Secretary of State or at such time thereafter as is provided in the Articles of Merger (the "Effective Time").

1.2 **Closing.** The Closing of the Merger (the "Closing") will take place on a date (the "Closing Date") to be specified by the parties after satisfaction or waiver of the latest to occur of the conditions set forth in Article VI at the offices of IES, 200 First Street, S.E., Cedar Rapids, Iowa 52401, unless another date or place is agreed to in writing by the parties hereto.

1.3 **Effects of the Merger.** At the Effective Time, IPW will be merged into IES (IES and IPW are each sometimes referred to herein as a "Constituent Company"), and the separate existence of IPW shall cease. IES will be the surviving corporation (sometimes referred to herein as the "Surviving Corporation"), to be renamed upon the consummation of the Merger with the filing of Restated Articles of Incorporation of IES under a new corporate name. The Articles of Incorporation of IES immediately before the Effective Time shall be the Articles of Incorporation of the Surviving Corporation, and the Bylaws of IES as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation and the Merger shall have all the effects provided by applicable law.

1.4 **Directors and Officers of the Surviving Corporation.** The Board of Directors of the Surviving Corporation shall remain the same as the current Boards of Directors of IES and IPW and will be composed of: Erroll B. Davis, Jr., Chairman of the Board; Alan B. Arends; Jack B. Evans; Joyce L. Hanes; Lee Liu; Katharine C. Lyall; Singleton B. McAllister; David A. Perdue; Judith D. Pyle; Robert W. Schlutz; Wayne H. Stoppelmoor; and Anthony R. Weiler.

The Officers of the Surviving Corporation shall be:

- Erroll B. Davis, Jr. - Chairman and Chief Executive Officer
- Ellot G. Frousch - President
- William D. Harvey - Executive Vice President-Generation
- Barbara J. Swan - Executive Vice President and General Counsel
- Thomas M. Walker - Executive Vice President and Chief Financial Officer

Pamela J. Wegner - Executive Vice President-Corporate Services  
Edward M. Gleason - Vice President-Treasurer and Corporate Secretary  
Dundeeana K. Langer - Vice President-Customer Operations  
Daniel L. Mineck - Vice President-Performance Engineering and Environmental  
Kim K. Zuhke - Vice President-Engineering, Sales and Marketing  
John E. Kratchmer - Corporate Controller and Chief Accounting Officer  
Linda J. Wentzel - Assistant Corporate Secretary  
Enrique Bacalao - Assistant Treasurer  
Steven F. Price - Assistant Treasurer  
Daniel L. Siegfried - Assistant Corporate Secretary

**ARTICLE II**

**EFFECT OF THE MERGER ON THE CAPITAL  
STOCK OF THE CONSTITUENT COMPANIES**

**2.1 Cancellation of IPW Common Stock.** At the Effective Time, by virtue of the Merger and without any action on the part of IES, IPW or the holders of the following securities:

(a) Each share of the common stock, par value \$3.50 per share of IPW ("IPW Common Stock"), issued and outstanding immediately prior to the Effective Time shall be canceled and extinguished without conversion thereof or payment therefor.

(b) Each share of IPW Common Stock held as treasury stock shall be canceled and extinguished without conversion thereof or payment therefor.

**2.2 Conversion of IPW Preferred Stock.** Subject to Section 2.4 regarding dissenting shares, at the Effective Time, by virtue of the Merger and without any action on the part of IES, IPW or the holders of the following securities:

(a) Each share of the cumulative preferred stock, par value \$50.00 per share, of IPW ("IPW Preferred Stock") designated as Series 4.36% (the "4.36% IPW Preferred Stock") shall cease to be outstanding and shall be converted into and become the right to receive one share of New IES Preferred Stock, as defined in Section 6.1(a), designated as Series 4.36% ("Series 4.36% IES Preferred Stock").

(b) Each share of IPW Preferred Stock designated as Series 4.68% (the "4.68% IPW Preferred Stock") shall cease to be outstanding and shall be converted into and become the right to receive one share of New IES Preferred Stock designated as Series 4.68% ("Series 4.68% IES Preferred Stock").

(c) Each share of IPW Preferred Stock designated as Series 7.76% (the "7.76% IPW Preferred Stock") shall cease to be outstanding and shall be converted into and become the right to receive one share of New IES Preferred Stock designated as Series 7.76% ("Series 7.76% IES Preferred Stock").

(d) Each share of IPW Preferred Stock designated as Series 6.40% (the "6.40% IPW Preferred Stock") shall cease to be outstanding and shall be converted into and become the right to receive one share of New IES Preferred Stock designated as Series 6.40% ("Series 6.40% IES Preferred Stock").

(e) Each share of IPW Preferred Stock held as treasury stock shall be canceled and extinguished without conversion thereof or payment therefor.

**2.3 IES Common and Preferred Stock.** Subject to Section 2.4 regarding dissenting shares, at the Effective Time, by virtue of the Merger and without any action on the part of IES, IPW or the holders of the following securities:

(a) The shares of common stock, par value \$2.50 per share, of IES ("IES Common Stock"), issued and outstanding immediately prior to the Effective Time shall be unaffected by the Merger and, at the Effective Time, such shares shall remain issued and outstanding as shares of common stock of the Surviving Corporation.

(b) The shares of IES Preferred Stock, as defined in Section 3.1(b), issued and outstanding immediately prior to the Effective Time ("IES Shares") shall be unaffected by the Merger and, at the Effective Time, such shares shall remain issued and outstanding as shares of preferred stock of the Surviving Corporation.

#### 2.4 Dissenting Shares.

(a) Notwithstanding anything in this Agreement to the contrary, any issued and outstanding shares of any series of IPW Preferred Stock ("IPW Shares") held by a person (an "IPW Dissenting Shareholder") who does not vote in favor of the Merger and complies with all the provisions of Delaware law concerning the right of holders of IPW Shares to require appraisal of their IPW Shares ("IPW Dissenting Shares") shall not be converted as described in Section 2.2, but shall become the right to receive such consideration as may be determined to be due to such IPW Dissenting Shareholder pursuant to Section 262 of the Delaware General Corporation Law ("DGCL"). If, after the Effective Time, such IPW Dissenting Shareholder withdraws his, her or its demand for appraisal or fails to perfect or otherwise loses such IPW Dissenting Shareholder's right of appraisal, in any case pursuant to the DGCL, such IPW Dissenting Shareholder's IPW Shares shall be deemed to be converted as of the Effective Time into the right to receive shares of New IES Preferred Stock as contemplated by Section 2.2. IPW shall give IES (i) prompt notice of any demands for appraisal of IPW Shares received by IPW and (ii) the opportunity to participate in and direct all negotiations and proceedings with respect to any such demands. IPW shall not, without the prior written consent of IES, make any payment with respect to, or settle, offer to settle or otherwise negotiate, any such demands.

(b) Notwithstanding anything in this Agreement to the contrary, any issued and outstanding IES Shares held by a person (an "IES Dissenting Shareholder") who does not vote in favor of the Merger and complies with all the provisions of Iowa law concerning the right of holders of IES Shares to require appraisal of their IES Shares ("IES Dissenting Shares") shall have the right to receive such consideration as may be determined to be due to such IES Dissenting Shareholder pursuant to Division XIII of the Iowa Business Corporation Act ("IBCA"). If, after the Effective Time, such IES Dissenting Shareholder withdraws his, her or its demand for appraisal or fails to perfect or otherwise loses such IES Dissenting Shareholder's right of appraisal, in any case pursuant to the IBCA, such IES Dissenting Shareholder's IES Shares shall be deemed to be unaffected by the Merger and such shares shall remain issued and outstanding as contemplated by Section 2.3.

#### 2.5 Payment for Shares.

(a) IES shall appoint an agent for the Merger (the "Exchange Agent"). IES will enter into an exchange agent agreement with the Exchange Agent, in form and substance reasonably acceptable to IPW, and shall deposit with the Exchange Agent in trust certificates representing shares of New IES Preferred Stock for the benefit of holders of IPW Shares (such certificates being hereinafter referred to as the "Exchange Fund"). The Exchange Agent shall, pursuant to irrevocable instructions, make the conversions provided for in Section 2.2 out of the Exchange Fund.

(b) Promptly after the Effective Time, the Surviving Corporation shall cause the Exchange Agent to mail to each record holder, as of the Effective Time, of an outstanding certificate or certificates that immediately prior to the Effective Time represented IPW Shares (the "Certificates"), a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent) and instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of New IES Preferred Stock as specified in Section 2.2. Upon surrender to the Exchange Agent of a Certificate,

together with such letter of transmittal duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of shares of New IES Preferred Stock which such holder is entitled to receive in respect of the Certificate surrendered pursuant to this Section 2.5.

(c) Any portion of the Exchange Fund that remains unclaimed by the holders of IPW Preferred Stock for twelve months after the Effective Time shall be returned to the Surviving Corporation. Any holders of IPW Preferred Stock who have not theretofore complied with this Section 2.5 shall thereafter look only to the Surviving Corporation for conversion of their IPW Shares.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of IES. IES represents and warrants to IPW as follows:

(a) Organization, Standing and Power. IES is a corporation duly organized, validly existing and in good standing under the laws of the State of Iowa and has all the requisite power and authority to own, lease and operate its properties and to carry on all its business as now being conducted.

(b) Capital Structure. As of the date hereof, the authorized capital stock of IES consists of (i) 24,000,000 shares of IES Common Stock, (ii) 120,000 shares of 4.30% Cumulative Preferred Stock, par value \$50 per share ("4.30% Preferred Stock"), 146,406 shares of 4.80% Cumulative Preferred Stock, par value \$50 per share ("4.80% Preferred Stock") and 200,000 shares of Cumulative Preferred Stock, par value \$50 per share, of which 100,000 shares have been designated as Series 6.10% ("6.10% Preferred Stock") (collectively, the "IES Preferred Stock"), and (iii) 700,000 shares of preference stock, par value \$100 per share ("IES Preference Stock"). At the close of business on September 30, 2000, (i) 13,370,788 shares of IES Common Stock were outstanding, all of said shares being held by Alliant Energy Corporation ("Alliant"), (ii) 120,000 shares of 4.30% Preferred Stock, 146,406 shares of 4.80% Preferred Stock, and 100,000 shares of 6.10% Preferred Stock were outstanding and (iii) no shares of IES Preference Stock were outstanding. At the close of business on September 30, 2000, no shares of IES Preferred Stock were held by IES or any of its affiliates, and no bonds, debentures, notes or other indebtedness having the right to vote (or convertible into securities having the right to vote) on any matters on which shareholders may vote ("Voting Debt") were issued or outstanding. All outstanding shares of IES Common Stock and IES Preferred Stock are validly issued, fully paid and nonassessable and are not subject to preemptive rights. As of the date of this Agreement and except as otherwise contemplated herein, there are no options, warrants, calls, rights, commitments or agreements of any character to which IES is a party or by which it is bound obligating IES to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or any Voting Debt of IES or obligating IES to grant, extend or enter into any such option, warrant, call, right, commitment or agreement.

(c) Authority. IES has all the requisite corporate power and authority to enter into this Agreement and, subject to approval of this Agreement and the Charter Amendments, as defined herein, by the requisite vote of the holder of IES Common Stock and the holders of each class of IES Preferred Stock, to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the filing of the Charter Amendments with the Secretary of State of the State of Iowa and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of IES, subject to such approval as is necessary by the holder of IES Common Stock and the holders of IES Preferred Stock. This Agreement has been duly executed and delivered by IES and, subject to any necessary approval of this Agreement and the Charter Amendments by the holder of IES Common Stock and the holders of IES Preferred Stock, constitutes a valid and binding obligation of IES enforceable in accordance with its terms. Except as contemplated by the next sentence hereof, the execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or the loss of a material benefit under, or the creation of a lien, pledge, security interest or other encumbrance on assets (any such conflict,

violation, default, right of termination, cancellation or acceleration, loss or creation, shall hereinafter be referred to as a "Violation") pursuant to, (A) any provision of the Articles of Incorporation or Bylaws of IES, (B) any provision of any loan or credit agreement, note, mortgage, indenture, lease or other agreement, obligation, instrument, permit, concession, franchise, license, or (C) any judgment or order, decree, statute, law, ordinance, rule or regulation applicable to IES or its properties or assets, which Violation, in the case of each of clauses (B) and (C), would have a material adverse effect on IES.

No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign (a "Governmental Entity"), is required by IES in connection with the execution and delivery of this Agreement by IES or the consummation by IES of the transactions contemplated hereby, the failure to obtain which would have a material adverse effect on IES, except for (i) the filing with the Securities and Exchange Commission (the "SEC") of (A) the Registration Statement, as defined in Section 3.1(e), (B) a joint proxy statement/prospectus (which will form part of the Registration Statement) in definitive form relating to the registration of shares of New IES Preferred Stock and the meetings of holders of IES and IPW capital stock to be held in connection with the Merger and related matters (such proxy statement/prospectus as amended or supplemented is referred to herein as the "Joint Proxy Statement/Prospectus"), and (C) such reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as may be required in connection with this Agreement and the transactions contemplated hereby, (ii) the filing of such documents with, and the obtaining of such orders from, any state securities authority that are required in connection with the transactions contemplated by this Agreement, (iii) such filings, authorizations, orders and approvals as are required the Iowa Utilities Board, the Minnesota Public Service Commission, the Illinois Commerce Commission any other similar state or local Governmental Entity (the "State Utility Commission Approvals"), (iv) the filing of the Articles of Merger pursuant to Section 1.1 of this Agreement and the filing of the Charter Amendment with the Secretary of State of the States of Delaware and Iowa, and (v) such filings, authorizations, orders and approvals (the "FERC Approvals") as are required under the Federal Power Act, as amended, and (vi) such filings, authorizations, orders and approvals (the "PUHCA Approvals") as are required under the Public Utility Holding Company Act of 1935, as amended.

(d) **SEC Documents.** IES has made available to IPW a true and complete copy of each report, schedule and registration statement filed by IES with the SEC since January 1, 1995 (as such documents have since the time of their filing been amended, the "IES SEC Documents") which are all the documents (other than preliminary material) that IES was required to file with the SEC since that date. As of their respective dates, the IES SEC Documents complied in all material aspects with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such IES SEC Documents, and none of the IES SEC Documents contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of IES included in the IES SEC Documents comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited statements to normal, recurring audit adjustments) the consolidated results of its operations and cash flows (or changes in financial position prior to the approval of Statement of Financial Accounting Standards Number 95 ("FASB 95")) for the periods then ended.

(e) **Information Supplied.** The information supplied by IES for inclusion in the registration statement of IES (the "Registration Statement") pursuant to which the shares of New IES Preferred Stock to be issued in the Merger will be registered with the SEC shall not, at the time the Registration Statement (including any amendments or supplements thereto) is declared effective by the SEC, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. None of the information supplied or to

be supplied by IES for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus will, at the date mailed to shareholders and at the time of any meeting of the shareholders to be held in connection with the Merger contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Registration Statement and the Joint Proxy Statement/Prospectus will comply as to form in all material respects with the provisions of the Securities Act, the Exchange Act, and the rules and regulations thereunder.

(f) **Compliance with Applicable Laws.** IES holds all permits, licenses, variances, exemptions, orders and approvals of all Governmental Entities which are material to the operation of the businesses of IES (the "IES Permits"). IES is in compliance with the terms of the IES Permits, except where failure to comply would not have a material adverse effect on IES. Except as disclosed in the IES SEC Documents filed prior to the date of this Agreement, the businesses of IES are not being conducted in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations which individually or in the aggregate do not, and insofar as reasonably can be foreseen, in the future will not, have a material adverse effect on IES.

(g) **Absence of Certain Changes or Events.** Except as disclosed in the IES SEC Documents filed prior to the date of this Agreement, or in the unaudited balance sheet of IES at February 29, 2000, and the related statements of income, cash flows and changes in shareholders' equity (the "2000 IES Financials"), true and correct copies of which have been delivered to IPW, or except as contemplated by this Agreement, since the date of the 2000 IES Financials, there has been no material adverse change in the business, or the financial or other condition of IES.

(h) **Vote Required.** The affirmative votes of the holder of IES Common Stock and of the holders of a majority of the outstanding shares eligible to vote of each of the 4.30% Preferred Stock, 4.80% Preferred Stock, and 6.10% Preferred Stock, each of the three classes voting separately as an individual class, are the only votes of the holders of any classes or series of IES capital stock necessary to approve this Agreement and the transactions contemplated hereby, according to the rights granted to the holders of the IES Common Stock, the 4.30% Preferred Stock, the 4.80% Preferred Stock and the 6.10% Preferred Stock in IES's Articles of Incorporation. The affirmative votes of the holder of IES Common Stock and of the holders of a majority of the outstanding shares eligible to vote and in attendance at the IES shareholder meeting of each of the 4.30% Preferred Stock, 4.80% Preferred Stock, and 6.10% Preferred Stock, each of the three classes voting separately as an individual class, are the only votes of the holders of any classes or series of IES capital stock necessary to approve the Charter Amendment according to the rights granted to the holders of the IES Common Stock 4.30% Preferred Stock, the 4.80% Preferred Stock and the 6.10% Preferred Stock in IES's Articles of Incorporation.

3.2 **Representations and Warranties of IPW.** IPW represents and warrants to IES as follows:

(a) **Organization, Standing and Power.** IPW is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all the requisite power and authority to own, lease and operate its properties and to carry on all its business as now being conducted.

(b) **Capital Structure.** As of the date hereof, the authorized capital stock of IPW consists of (i) 30,000,000 shares of IPW Common Stock, (ii) 2,000,000 shares of cumulative preferred stock, par value \$50.00 per share, of IPW ("IPW Preferred Stock"), including 200,000 shares designated as 4.36% IPW Preferred Stock, 166,000 shares designated as 4.68% IPW Preferred Stock, 100,000 shares designated as 7.76% IPW Preferred Stock and 545,000 shares designated as 6.40% IPW Preferred Stock, and (iii) 2,000,000 shares of preference stock, par value of \$1 per share ("IPW Preference Stock"). At the close of business on September 30, 2000 (i) 9,777,432 shares of IPW Common Stock were outstanding, all of said shares being held by Alliant, (ii) 60,455 shares of 4.36% IPW Preferred Stock, 55,926 shares of 4.68% IPW Preferred Stock, 100,000 shares of 7.76% IPW Preferred Stock, and 545,000 shares of 6.40%

IPW Preferred Stock were outstanding and (iii) no shares of IPW Preference Stock were outstanding. At the close of business on September 30, 2000, no shares of IPW Preferred Stock were held by IPW or any of its affiliates, and no Voting Debt was issued or outstanding. All outstanding shares of IPW Common Stock and IPW Preferred Stock are validly issued, fully paid and nonassessable and are not subject to preemptive rights. As of the date of this Agreement, there are no options, warrants, calls, rights, commitments or agreements of any character to which IPW is a party or by which it is bound obligating IPW to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or any Voting Debt of IPW or obligating IPW to grant, extend or enter into any such option, warrant, call, right, commitment or agreement.

(c) Authority. IPW has all the requisite corporate power and authority to enter into this Agreement and, subject to approval of the Merger by a majority of the shares outstanding and eligible to vote of the combined class of IPW Common Stock and IPW Preferred Stock, to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of IPW, subject to such approval as is necessary by the holders of IPW Common Stock and IPW Preferred Stock. This Agreement has been duly executed and delivered by IPW and, subject to any necessary approval of this Agreement by the holders of IPW Common Stock and IPW Preferred Stock, constitutes a valid and binding obligation of IPW enforceable in accordance with its terms. Except as contemplated by the next sentence hereof, the execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, result in any Violation of (A) any provision of the Articles of Incorporation or Bylaws of IPW, (B) any provision of any loan or credit agreement, note, mortgage, indenture, lease or other agreement, obligation, instrument, permit, concession, franchise, license, or (C) any judgment or order, decree, statute, law, ordinance, rule or regulation applicable to IPW or its properties or assets, which Violation, in the case of each of clauses (B) and (C), would have a material adverse effect on IPW.

No consent, approval, order or authorization of, or registration, declaration or filing with any Governmental Entity is required by IPW in connection with the execution and delivery of this Agreement by IPW or the consummation by IPW of the transactions contemplated hereby, the failure to obtain which would have a material adverse effect on IPW, except for (i) the State Utility Commission Approvals, (ii) the filing of the Articles of Merger pursuant to Section 1.1 of this Agreement, (iii) the FERC Approvals, and (vi) the PUHCA Approval.

(d) Intentionally Omitted.

(e) Information Supplied. The information supplied by IPW for inclusion in the Registration Statement shall not at the time the Registration Statement is declared effective contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. None of the information supplied or to be supplied by IPW for inclusion in the Joint Proxy Statement/Prospectus will, at the date the Joint Proxy Statement/Prospectus is mailed to shareholders or at the time of any meetings of the shareholders to be held in connection with the Merger contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

(f) Compliance with Applicable Laws. IPW holds all permits, licenses, variances, exemptions, orders and approvals of all Governmental Entities which are material to the operation of the businesses of IPW (the "IPW Permits"). IPW is in compliance with the terms of the IPW Permits, except where failure to comply would not have a material adverse effect on IPW. The businesses of IPW are not being conducted in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations which individually or in the aggregate do not, and insofar as reasonably can be foreseen, in the future will not, have a material adverse effect on IPW.

(g) **Absence of Certain Changes or Events.** Except as disclosed in the IPW SEC Documents filed prior to the date of this Agreement, or in the unaudited balance sheet of IPW at February 29, 2000, and the related statements of income, cash flows and changes in shareholders' equity (the "2000 IPW Financials"), true and correct copies of which have been delivered to IES, or except as contemplated by this Agreement, since the date of the 2000 IPW Financials, there has been no material adverse change in the business, or the financial or other condition of IPW.

(h) **Vote Required.** The affirmative vote of the holders of a majority of the outstanding shares eligible to vote of the combined class of IPW Common Stock and IPW Preferred Stock, each share getting one vote, is the only vote of the holders of any classes or series of IPW capital stock necessary to approve this Agreement, the Merger and the transactions contemplated hereby, according to the rights granted to the holders of the IPW Common Stock and IPW Preferred Stock in IPW's Restated Certificate of Incorporation.

#### ARTICLE IV

##### COVENANTS RELATING TO CONDUCT OF BUSINESS

4.1 **Covenants of IES and IPW.** During the period from the date of this Agreement and continuing until the Effective Time, IES and IPW each agree that (except as expressly contemplated or permitted by this Agreement or to the extent the other party shall otherwise consent in writing):

(a) **Ordinary Course.** Each party shall carry on its respective business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted to the end that its goodwill and ongoing business shall not be impaired in any material respect at the Effective Time.

(b) **Governing Documents.** No party shall amend or propose to amend its Certificate or Articles of Incorporation or Bylaws.

(c) **Filings with Governmental Entities.** Each party shall promptly provide the other copies of all filings made by such party with any state or federal Governmental Entity in connection with this Agreement and the transactions contemplated hereby.

#### ARTICLE V

##### ADDITIONAL AGREEMENTS

5.1 **Preparation of the Registration Statement and Joint Proxy Statement/Prospectus.** IES and IPW shall promptly prepare and IES shall promptly file with the SEC the Registration Statement, including the Joint Proxy Statement/Prospectus as a part thereof.

5.2 **Access to Information.** Upon reasonable notice, IES and IPW shall afford to the officers, employees, accountants, counsel and other representatives of the other, access, during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, commitments and records and, during such period, IES and IPW shall furnish promptly to the other (a) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of Federal securities laws and (b) all other information concerning its business, properties and personnel as such other party may reasonably request.

5.3 **Shareholders' Meetings.** IES and IPW shall take the following steps necessary to obtain the requisite approvals of the Merger, the Charter Amendments and the transactions contemplated hereby:

(a) IES shall obtain the consent of the sole holder of IES Common Stock, approving this Agreement, the Charter Amendments and the transactions contemplated hereby.

(b) IES shall call a meeting of the holders of IES Preferred Stock to be held as promptly as practicable for the purpose of voting upon this Agreement, the Charter Amendments and the transactions contemplated hereby. IES will, through its Board of Directors, recommend that the holders of IES Common Stock and IES Preferred Stock vote to approve this Agreement, the Charter Amendments and the transactions contemplated hereby.

(c) IPW shall call a meeting of the holders of the combined class of IPW Common Stock and IPW Preferred Stock to be held as promptly as practicable for the purpose of voting upon this Agreement and the transactions contemplated hereby. IPW will, through its Board of Directors, recommend the holders of IPW Common Stock and IPW Preferred Stock vote to approve this Agreement and the transactions contemplated hereby.

5.4 Legal Conditions to Merger. Each of IES and IPW will take all reasonable actions necessary to comply promptly with all legal requirements which may be imposed on itself with respect to the Merger (including furnishing all information in connection with the FERC and State Utility Commission Approvals and in connection with the approval of or filings with any other Governmental Entity) and will promptly cooperate with and furnish information to each other in connection with any such requirements imposed upon either of them in connection with the Merger. IES and IPW will take all reasonable actions necessary to obtain (and will cooperate with each other in obtaining) any consent, authorization, order or approval of, or any exemption by, any Governmental Entity or other public or private third party, required to be obtained or made by IES or IPW in connection with the Merger or the taking of any action contemplated thereby or by this Agreement.

5.5 Expenses. Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be shared by IES and IPW based upon a ratio of assets, revenues and operating expenses, regardless of which company actually incurs such costs and expenses.

5.6 Indemnification: Directors and Officers. Each of the Constituent Companies shall, and from and after the Effective Time the Surviving Corporation shall, indemnify, defend and hold harmless each person who is now, or had been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer, director or employee of the Surviving Corporation or a Constituent Company or any of their subsidiaries (the "Indemnified Parties") against (i) all losses, claims, damages, costs, expenses, liabilities or judgments or amounts that are paid in settlement with the approval of the indemnifying party (which approval shall not be unreasonably withheld) of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such a person is or was a director, officer or employee of such Constituent Company, the Surviving Corporation, or any subsidiary, whether pertaining to any matter existing or occurring at or prior to the Effective Time ("Indemnified Liabilities") and (ii) all Indemnified Liabilities based in whole or in part on, or arising in whole or in part out of, or pertaining to this Agreement or the transactions contemplated hereby, the fullest extent permitted by law (and the Surviving Corporation will pay expenses in advance of the final disposition of any such action or proceeding to each Indemnified Party to the fullest extent permitted by law).

Without limited the foregoing, in the event any such claim, action, suit, proceeding, or investigation is brought against any Indemnified Party (whether arising before or after the Effective Time), (i) the Indemnified Parties may retain counsel satisfactory to them and such Constituent Company (or them and the Surviving Corporation after the Effective Time); (ii) such Constituent Company (or after the Effective Time, the Surviving Corporation) shall pay all reasonable fees and expenses of such counsel for the Indemnified Parties promptly as statements therefor are received; and (iii) such Constituent Company (or after the Effective Time, the Surviving Corporation) will use all reasonable efforts to assist in the vigorous defense of any such matter, provided that neither such Constituent Company nor the Surviving Corporation shall be liable for any settlement of any claim effected without its written consent, which consent, however, shall not be unreasonably withheld. Any Indemnified Party wishing to claim indemnification under this Section 5.6, upon learning of any such claim, action, suit, proceeding or investigation, shall notify the Constituent Company or the Surviving Corporation (but the failure to so notify a party shall not relieve such party from any liability which it may have under this Section 5.6 except to the extent such failure prejudices such party). The Indemnified Parties as a group may retain only one law firm to represent them.

with respect to each such matter unless there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Indemnified Parties.

The provisions of this Section 5.6 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, and the heirs and representatives of each Indemnified Party.

**5.7 Additional Agreement: Reasonable Efforts.** Subject to the terms and conditions of this Agreement, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, subject to the appropriate vote of the holders of IES and IPW Preferred Stock described in Section 6.1(a), including cooperating fully with the other party, including by providing information and making all necessary filings in connection with, among other things, the FERC Approvals and the State Utility Commission Approvals. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of either Constituent Company, the proper officers and directors of each party to this Agreement shall take all such necessary action.

## ARTICLE VI

### CONDITIONS PRECEDENT

**6.1 Conditions to Each Party's Obligation to Effect the Merger.** The obligation of each party to effect the Merger shall be subject to the satisfaction prior to the Closing Date of the following conditions:

(a) **Shareholder Approval.** This Agreement shall have been approved by the shareholders of IES and IPW, as provided in Sections 3.1(b) and Section 3.2(h), respectively, and the amendments to the IES Articles of Incorporation, authorizing a new class of IES Class A Preferred Stock, with terms substantially identical to the IPW Preferred Stock under the IPW Certificate of Incorporation ("New IES Preferred Stock"), shall have been approved by the shareholders of IES, as provided in Section 3.1(h).

(b) **Other Approvals.** Other than the filing provided for by Section 1.1, all authorizations, consents, orders or approvals of, or declarations or filings with any Governmental Entity the failure to obtain or make which could have a material adverse effect on the Surviving Corporation shall have been filed, obtained or made, including but not limited to the FERC Approvals and State Utility Commission Approvals. IES shall have received all state securities or "Blue Sky" permits and other authorizations necessary to consummate the Merger.

(c) **No Injunctions or Restraints.** No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition (an "Injunction") preventing the consummation of the Merger shall be in effect.

(d) **Taxes.** Counsel to IES and IPW shall have delivered its opinion to the effect that the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and that IES and IPW will each be a party to that reorganization within the meaning of Section 368(b) of such Code.

(e) **Consents Under Agreements.** IES and IPW shall have obtained the consent or approval of each person (other than the Governmental Entities referred to in Section 6.1(b)) whose consent or approval shall be required in order to permit the succession by the Surviving Corporation pursuant to the Merger to any obligation, right or interest of IES or IPW under any loan or credit agreement, note, mortgage, indenture, lease or other agreement or instrument, except those for which failure to obtain such consents and approvals would not, in the reasonable opinion of IES or IPW, as the case may be, have a material adverse effect on the Surviving Corporation or upon the consummation of the transactions contemplated hereby.

(f) Representations and Warranties. The respective representations and warranties of IES and IPW set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date.

(g) Designation of Series of New IES Preferred Stock. The Board of Directors of IES shall have designated the following series of New IES Preferred Stock: 4.36% IES Preferred Stock, 4.68% IES Preferred Stock, 7.76% IES Preferred Stock and 6.40% IES Preferred Stock. The amendment of the IES Articles of Incorporation creating the New IES Preferred Stock as contemplated by Section 6.1(a) and the action of the Board of Directors of IES designating the new series of the New IES Preferred Stock are collectively referred to herein as the "Charter Amendments."

6.2 No IPW Material Adverse Changes. The obligations of IES to effect the Merger are also subject to the condition that, since the date of this Agreement, there has not been any change in the financial condition, results of operations or business of IPW, that either individually or in the aggregate would have a material adverse effect on IPW. IES shall have received a certificate of the President and the Chief Financial Officer of IPW to that effect.

6.3 No IES Material Adverse Changes. The obligations of IPW to effect the Merger are also subject to the condition that, since the date of this Agreement, there has not been any change in the financial condition, results of operations or business of IES, that either individually or in the aggregate would have a material adverse effect on IES. IPW shall have received a certificate of the President and the Chief Financial Officer of IES to that effect.

## ARTICLE VII

### TERMINATION AND AMENDMENT

7.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the matters presented in connection with the Merger by the shareholders of IES or IPW, by consent of IES and IPW.

7.2 Effect of Termination. In the event of termination of this Agreement as provided in Section 7.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of IES or IPW or their respective officers or directors.

7.3 Amendment. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the shareholders of IES or of IPW, but, after any such approval, no material amendment shall be made without the further approval of such shareholders. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Extension, Waiver. At any time prior to the Effective Time, the parties hereto, by action duly taken, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

## ARTICLE VIII

### GENERAL PROVISIONS

8.1 Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time, except those in Sections 5.6 and 5.7.

**8.2 Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given when personally delivered, telecopied (which is confirmed) or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses:

- (1) if to IES, to: IES Utilities, Inc.  
200 First Street, S.E.  
Cedar Rapids, Iowa 52401  
Attention: President
- (2) if to IPW, to: Interstate Power Company  
1000 Main Street  
Dubuque, Iowa 52004  
Attention: President

**8.3 Interpretation.** When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. The table of contents and headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes", or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The phrase "made available" in this Agreement shall mean that the information referred to has been made available if requested by the party to whom such information is to be made available. The phrases "the date of this Agreement", "the date hereof", and terms of similar import, unless the context otherwise requires, shall be deemed to refer to March 15, 2000.

**8.4 Counterparts.** This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.

**8.5 Entire Agreement; No Third Party Beneficiaries.** This Agreement (a) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and (b) except as provided in Section 5.6, is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

**8.6 Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

**8.7 Saving Clause.** Each party agrees that, should any court or other competent authority hold any provision of this Agreement or part hereof to be null, void or unenforceable, each term and condition of this Agreement is deemed to have independent effect and the invalidity of any partial or whole paragraph or article shall not invalidate the remaining paragraphs or articles.

IN WITNESS WHEREOF, IES and IPW have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

**IES UTILITIES, INC.**

By: /s/ Eliot G. Protsch

Name: Eliot G. Protsch

Title: President

**INTERSTATE POWER COMPANY**

By: /s/ Dale R. Sharp

Name: Dale R. Sharp

Title: President

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SECRETARY OF STATE  
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**ARTICLES OF AMENDMENT  
OF  
AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
IES UTILITIES INC.**

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517503 AMEND \$50.00 DJC

**ARTICLE I**

The name of the Corporation is IES Utilities Inc.

**ARTICLE II**

1. Section 1 of Article IV of the Corporation's Articles of Incorporation is amended by deleting the existing Section 1 of Article IV and by inserting the following in lieu thereof:

**Section 1.** The authorized capital stock of the Corporation shall consist of 25,927,787 shares, of which 146,406 shares shall be 4.80% Cumulative Preferred Stock of the par value of \$50 each, 120,000 shares shall be 4.30% Cumulative Preferred Stock of the par value of \$50 each, 200,000 shares shall be Cumulative Preferred Stock of the par value of \$50 each issuable in series as hereinafter provided, 761,381 shares shall be Class A Preferred Stock of the par value of \$50 each issuable in series as hereinafter provided, 700,000 shares shall be Cumulative Preference Stock of the par value of \$100 each issuable in series as hereinafter provided and 24,000,000 shares shall be Common Stock of the par value of \$2.50 each.

2. Section 2 of Article IV of the Corporation's Articles of Incorporation is amended by inserting the following after the designations, rights, preferences and conditions of the Cumulative Preferred Stock of the Corporation (including the designations, rights, preferences and conditions of the 6.10% Series Cumulative Preferred Stock) but before the designations, rights, preferences and conditions of the Cumulative Preference Stock of the Corporation:

**CLASS A PREFERRED STOCK**

This portion of Section 2 of Article IV of these Articles of Incorporation titled "Class A Preferred Stock" is hereinafter referred to as the "Class A Part."

I. The Class A Preferred Stock may be issued at any time or from time to time in any amount, not exceeding in the aggregate (including all shares of any and all series thereof theretofore issued) the total number of shares of Class A Preferred Stock hereinabove authorized, as Class A Preferred Stock of one or more series, as hereinafter provided. All shares of any one series of Class A Preferred Stock shall be alike in every particular, each series thereof shall be distinctly designated by letter or descriptive words,

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and all series of Class A Preferred Stock shall rank equally and be identical in all respects except as permitted by the provisions of Paragraph II of this Class A Part.

II. Authority is hereby expressly granted to and vested in the Board of Directors at any time or from time to time to issue the Class A Preferred Stock as Class A Preferred Stock of any series, and in connection with the creation of each such series to fix by the resolution or resolutions providing for the issue of shares thereof, the designations and the preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of such series, to the full extent now or hereafter permitted by the laws of the State of Iowa, in respect to the matters set forth in the following subparagraphs (a) to (g), inclusive:

(a) The distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased or decreased (but not below the number of shares thereof then outstanding) from time to time by resolution of the Board of Directors;

(b) The dividend rate per annum of such series, the quarterly payment dates for dividends on shares of such series, and the date from which dividends on shares of such series shall be cumulative (hereinafter called the "date of cumulation"), which date of cumulation shall be identical for all shares of such series;

(c) The price or prices at which, and the terms and conditions on which, the shares of such series may be redeemed at the option of the Corporation (hereinafter called the "optional redemption price");

(d) The amount or amounts payable upon the shares of such series in the event of voluntary liquidation, dissolution or winding up of the Corporation;

(e) Whether or not the shares of such series shall be entitled to the benefit of a sinking fund or a purchase fund to be applied to the purchase or redemption of shares of such series, and if so entitled, the amount of such fund and the manner of its application, including the price or prices at which the shares of such series may be redeemed or purchased through the application of such fund;

(f) Whether or not the shares of such series shall be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any class or classes of stock of the Corporation and, if made so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange; and

(g) Whether or not the issue of any additional shares of such series, or any future series in addition to such series, or of any shares of any other class of stock (except junior stock, as hereinafter in this Class A Part defined) of the Corporation shall be subject to restrictions and, if so, the nature thereof.

III. Series.

IV. Out of the net profits or net assets of the Corporation legally available for dividends the holders of Class A Preferred Stock of each series shall be entitled to receive, in preference to the Common Stock but pari passu with any additional class of cumulative preferred stock heretofore authorized or which may hereafter be authorized pursuant to the provisions of Paragraph 10 of Section 2 of Article IV of these Articles of Incorporation, when and as declared by the Board of Directors, dividends at the per annum rate for such series fixed by the Board of Directors pursuant to the Paragraph II of this Class A Part, and no more, payable quarterly on the dates fixed by the Board of Directors pursuant to said Paragraph II for such series, in each case from the date of cumulation of such series; and such dividends shall be cumulative (whether or not in any dividend period or periods there shall be net profits or net assets of the Corporation legally available for the payment of such dividends), so that, if at any time full cumulative dividends, as hereinafter in this Class A Part defined, to the end of the then current dividend period upon the outstanding Class A Preferred Stock of all series shall not have been paid or declared and set apart for payment, the amount of the deficiency shall be fully paid, but without interest, or dividends in such amount declared on each such series and set apart for payment, before any sum or sums shall be set aside for or applied to the purchase or redemption of Class A Preferred Stock of any series and before any dividend shall be declared or paid upon or set apart for, or any other distribution shall be ordered or made in respect of, any junior stock and before any shares of junior stock shall be purchased, redeemed or otherwise acquired for value (except in exchange for or with the proceeds of the issue of other junior stock) by the Corporation.

All dividends declared on the Class A Preferred Stock shall be declared pro rata so that the amounts of dividends per share declared on the Class A Preferred Stock of different series shall in all cases bear to each other the same proportions that the respective dividend rates of such respective series bear to each other.

V. After full cumulative dividends to the end of the then current dividend period upon the outstanding Class A Preferred Stock of all series shall have been paid or declared and set apart for payment, the Corporation shall set aside as a sinking fund or purchase fund, when and as required, out of any funds legally available for that purpose, in respect of each series of Class A Preferred Stock any shares of which shall at the time be outstanding and in respect of which a sinking fund or purchase fund for the purchase or redemption thereof has been provided for in the resolution or resolutions referred to in Paragraph II of this Class A Part, the sum or sums required by the terms of such resolution or resolutions as a sinking fund or purchase fund to be applied in the manner specified therein.

VI. Out of any net profits or net assets of the Corporation legally available for dividends remaining after full cumulative dividends to the end of the then current dividend period upon the outstanding Class A Preferred Stock of all series shall have been paid or declared and set apart for payment and after the Corporation shall have complied or made provision for compliance with the provisions of the foregoing Paragraph

V of this Class A Part in respect of any and all amounts then or theretofore required to be set aside or applied in respect of any sinking fund or purchase fund mentioned in said Paragraph V, then and not otherwise, the holders of any junior stock shall, subject to the provisions hereof and of any resolution or resolutions of the Board of Directors with respect to any series of Class A Preferred Stock adopted pursuant to Paragraph II of this Class A Part, be entitled to receive such dividends as may from time to time be declared by the Board of Directors.

In the event of the issue of additional Class A Preferred Stock of any then existing series, all dividends paid on Class A Preferred Stock of such series prior to the issue of such additional Class A Preferred Stock and all dividends declared and payable to holders of record of Class A Preferred Stock of such series on any date prior to such additional issue shall be deemed to have been paid on the additional Class A Preferred Stock so issued.

VII. So long as any shares of the Class A Preferred Stock of any series shall be outstanding, the right of the Corporation to make any distribution on junior stock, as hereinafter in this Class A Part defined, shall be subject to the following limitations:

(a) If and so long as the junior stock equity ratio, as hereinafter in this Class A Part defined, is 20% or more but less than 25%, the Corporation shall not make, during the twelve months' period ending with and including the date of any proposed distribution on junior stock, distributions on junior stock (including the proposed distribution on junior stock) exceeding in aggregate amount 75% of the consolidated net income of the Corporation and its subsidiaries, as hereinafter in this Class A Part defined, for the twelve months' period ending with and including the second calendar month preceding the date on which the Board of Directors shall authorize such proposed distribution on junior stock; and

(b) If and so long as the junior stock equity ratio is less than 20%, the Corporation shall not make, during the twelve months' period ending with and including the date of any proposed distribution on junior stock, distributions on junior stock (including the proposed distribution on junior stock) exceeding in aggregate amount 50% of the consolidated net income of the Corporation and its subsidiaries for the twelve months' period ending with and including the second calendar month preceding the date on which the Board of Directors shall authorize such proposed distribution on junior stock.

**Voting Rights of Class A Preferred Stock - -**  
**Certain Voting Rights of Class A Preferred Stock as to Directors**

VIII. Except as otherwise required by the statutes of the State of Iowa and as otherwise provided in this Class A Part, the holders of the Class A Preferred Stock and the holders of the Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation, with each share of Class A Preferred Stock and each share of Common Stock being entitled to one vote. Notwithstanding the foregoing, if and whenever full cumulative dividends for four (4) quarterly dividend

periods upon any series of Class A Preferred Stock shall be unpaid, the holders of the Class A Preferred Stock and of other shares of preferred stock ranking pari passu therewith, voting as a class, shall be entitled to elect a majority of the total number of directors, and the holders of Common Stock, voting as a separate class, shall be entitled to elect the remaining directors. Whenever the right shall vest in the holders of the Class A Preferred Stock and of other shares of preferred stock ranking pari passu therewith to elect such directors, the Board of Directors shall, at least fifteen days prior to such annual meeting at which such dividends remain accrued and unpaid, cause to be mailed to each stockholder, at his last known post office address as shown on the stock records of the Corporation, a notice to this effect. At all meetings of stockholders where the holders of the Class A Preferred Stock and of other preferred stock ranking pari passu therewith shall have such right to elect such directors, the presence in person or by proxy of the holders of a majority of the aggregate number of outstanding shares of Class A Preferred Stock shall be required to constitute a quorum for the election of such directors; further provided, however, that the absence of a quorum of the holders of Class A Preferred Stock shall not prevent the election at any such meeting or adjournments thereof of directors in the usual manner by the holders of Common Stock if the necessary quorum of the holders of Common Stock is present in person or by proxy at such meeting. When all dividends accrued and unpaid on the Class A Preferred Stock shall have been paid or declared and set apart for payment, holders of Class A Preferred Stock and of other preferred stock ranking pari passu therewith shall at the next annual meeting be divested of their rights in respect of such election of a majority of the directors, and the voting power of the holders of the Class A Preferred Stock and of other preferred stock ranking pari passu therewith and the holders of the Common Stock shall revert to the status existing before the first dividend payment date on which dividends on the Class A Preferred Stock were not paid in full; but always subject to the same provisions for vesting such special rights in the holders of the Class A Preferred Stock and of other preferred stock ranking pari passu therewith in the event dividends on the Class A Preferred Stock shall again become accrued and unpaid in an amount equal to four quarterly dividends. Vacancies among directors elected by holders of Class A Preferred Stock and of other preferred stock ranking pari passu therewith during any period for which directors shall have been so elected shall be filled until the next annual or special meeting for the election of directors, by the vote of a majority of the remaining directors elected by the holders of Class A Preferred Stock and of other preferred stock ranking pari passu therewith. Vacancies among directors elected by the Common Stock shall be filled by the vote of a majority of the remaining directors elected by the holders of Common Stock until the next annual meeting for the election of directors or special meeting in lieu thereof.

#### Certain Voting Rights of Class A Preferred Stock

IX. So long as any shares of the Class A Preferred Stock of any series shall be outstanding, the Corporation shall not, without the consent by vote or in writing of the holders of a majority of the shares of the Class A Preferred Stock of all series at the time outstanding, considered as a class without regard to series,

(a) Sell all or substantially all its assets or consolidate or merge with or into any other corporation or corporations, except that no such consent or vote shall be required if such sale, consolidation or merger or the issuance or assumption of all securities to be issued or assumed in connection with such sale, consolidation or merger shall have been approved, permitted or ordered by the Securities and Exchange Commission or by any successor commission or by any regulatory authority of the United States of America having jurisdiction over such sale, consolidation or merger or the issuance or assumption of securities in connection therewith; provided, however, that the provisions of this subparagraph (a) shall not apply to (i) a consolidation of the Corporation with, or a merger into the Corporation of, any subsidiary of the Corporation, or (ii) the purchase or other acquisition by the Corporation of the franchises or assets of another corporation in any manner which does not involve a consolidation or merger under the laws of the State of Iowa; the term "subsidiary" as used in this subparagraph (a) shall mean any corporation all of the outstanding shares of stock of which (except directors' qualifying shares) at the time shall be owned directly or indirectly by the Corporation or by a wholly-owned subsidiary of the Corporation; or

(b) Increase the total authorized amount of Class A Preferred Stock, or authorize any other preferred stock on a parity therewith with respect to the payment of dividends or the distribution of assets upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary; or

(c) Issue any additional shares of preferred stock (including the reissuance of reacquired preferred stock) ranking on a parity with the outstanding shares of Class A Preferred Stock either as to the payment of dividends or as to the distribution of assets unless (i) the consolidated gross income of the Corporation and its subsidiaries (after all taxes including taxes based on income) for 12 consecutive calendar months within a period of 15 calendar months immediately preceding the date of such issuance is equal to at least one and one-half times the aggregate of all interest charges on indebtedness of the Corporation and its subsidiaries on a consolidated basis (excluding interest charges on indebtedness to be retired by the application of the proceeds from the issuance of such preferred stock) and the annual dividend requirements on all preferred stock of the Corporation and its subsidiaries on a consolidated basis (including dividend requirements on all preferred stock ranking as to dividends or assets prior to or on a parity with the preferred stock to be issued) which will be outstanding immediately after the issuance of such preferred stock; and unless (ii) the aggregate par value, or stated capital represented by the outstanding shares of the junior stock of the Corporation, including premiums thereon plus any surplus of the Corporation is equal to at least the aggregate amount payable in connection with an involuntary liquidation of the Corporation with respect to all shares of the Class A Preferred Stock and all shares of stock, if any, ranking prior thereto or on a parity therewith as to dividends or assets, which will be outstanding immediately after the issuance of such preferred stock. If for the purpose of meeting the requirements of clause (c)(ii) immediately preceding it shall have been necessary to take into consideration any earned surplus of the Corporation, the Corporation shall not thereafter pay any dividends on, or make any distributions in respect of, or purchase or otherwise acquire, junior stock which would result in reducing the junior stock equity to an amount

less than the amount payable on involuntary liquidation of the Corporation with respect to all shares of the Class A Preferred Stock and all shares ranking prior to or on a parity with the Class A Preferred Stock as to dividends and assets at the time outstanding. If, during the period for which gross income is to be determined for the purpose set forth in clause (c)(ii) above, the amount required to be expended by the Corporation pursuant to a maintenance fund or similar fund established under its mortgage indenture shall exceed the amount deducted in the determination of gross income on account of depreciation and maintenance, such excess shall also be deducted in determining gross income; or

(d) Issue or assume any unsecured notes, debentures or other securities representing unsecured indebtedness for any purpose other than

(i) the refunding of unsecured indebtedness theretofore created or assumed by the Corporation and then outstanding;

(ii) the reacquisition, redemption or other retirement of any indebtedness, whether secured or unsecured, which reacquisition, redemption or other retirement has been authorized by any state or federal regulatory authority; or

(iii) the reacquisition, redemption or other retirement of outstanding shares of one or more series of preferred stock of the Corporation;

if immediately after such issue or assumption the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the Corporation (including unsecured indebtedness then to be issued or assumed) would exceed twenty per centum (20%) of the aggregate of: (1) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the Corporation and then to be outstanding and (2) the par value of, or stated capital represented by, the shares of all classes of stock of the Corporation then to be outstanding in the hands of the public, plus premium on such stock, plus capital surplus, earned surplus and any other surplus of the Corporation as then to be stated on the books of account of the Corporation.

X. So long as any shares of the Class A Preferred Stock of any series shall be outstanding, the Corporation shall not, without the consent by vote or in writing of the holders of two-thirds of the number of shares of the Class A Preferred Stock of all series at the time outstanding considered as a class without regard to series, authorize any class of stock ranking prior to the Class A Preferred Stock with respect to the payment of dividends or the distribution of assets upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary.

XI. So long as any shares of the Class A Preferred Stock of any series shall be outstanding, the Corporation shall not change the express terms and provisions of the Class A Preferred Stock as to such series so as to affect such series adversely, without the consent by vote or in writing of the holders of two-thirds of the number of shares of Class A Preferred Stock of all series so affected, considered as a class without regard to series.

**Rights of Class A Preferred Stock on  
Liquidation, Dissolution or Winding Up**

XII. In the event of any liquidation or dissolution or winding up of the Corporation the holders of the Class A Preferred Stock of each series shall be entitled to receive, in preference to the Common Stock, but pari passu with any additional class of cumulative preferred stock which may be authorized pursuant to the provisions of Paragraph 10 of Section 2 of Article IV of these Articles of Incorporation, out of the assets of the Corporation available for distribution to its stockholders, before any distribution of assets shall be made to the holders of any class of junior stock, (i) if such liquidation, dissolution or winding up shall be involuntary, the sum of fifty dollars (\$50) per share plus full cumulative dividends thereon to the date of final distribution to the holders of the Class A Preferred Stock and (ii) if such liquidation, dissolution or winding up shall be voluntary, the amount per share fixed by the Board of Directors pursuant to Paragraph II of this Class A Part plus full cumulative dividends thereon to the date of final distribution to the holders of the Class A Preferred Stock. If upon any liquidation or dissolution or winding up of the Corporation the net assets of the Corporation shall be insufficient to pay the holders of all outstanding shares of Class A Preferred Stock the full amounts to which they respectively shall be entitled, the holders of shares of Class A Preferred Stock of all series shall share ratably in any distribution of assets according to the respective amounts payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to the Class A Preferred Stock of all series were paid in full. Neither the merger nor consolidation of the Corporation into or with any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation, nor a sale, transfer or lease of all or any part of the assets of the Corporation, shall be deemed to be a liquidation, dissolution or winding up of the Corporation.

**Certain Definitions**

XIII. As used in this Class A Part, the following terms have the following meanings:

The term "consolidated net income of the Corporation and its subsidiaries" shall mean the consolidated gross earnings of the Corporation and its subsidiaries from all sources less all proper deductions for operating expenses, taxes (including income, excess profits and other taxes based on or measured by income or undistributed earnings or income), interest charges and other appropriate items, including provision for maintenance and depreciation, and less all dividends paid or accrued on the Class A Preferred Stock of the Corporation which are applicable to the periods in question, and otherwise determined in accordance with sound accounting practice in use at the time but determined without deducting any losses, expenses or provisions charged directly to surplus in accordance with the Uniform Systems of Accounts prescribed by regulatory commissions having jurisdiction over the Corporation and its subsidiaries. The amount deducted for maintenance and depreciation of property of the Corporation and its subsidiaries shall be at least equal to the aggregate amount spent for maintenance and provided for depreciation by the Corporation and its subsidiaries.

The term "consolidated surplus of the Corporation and its subsidiaries" shall include capital surplus, earned surplus and any other surplus of the Corporation and its subsidiaries, consolidated in accordance with sound accounting practice.

The term "distribution on junior stock" shall mean a dividend (other than a dividend payable in junior stock) or other distribution on junior stock, a purchase or redemption of junior stock and any other acquisition for value of junior stock (except in exchange for or with the proceeds of the issue of other junior stock).

The term "full cumulative dividends" whenever used in this Class A Part with reference to any share of any series of the Class A Preferred Stock shall be deemed to mean (whether or not in any dividend period or any part thereof in respect of which such term is used there shall have been net profits or net assets of the Corporation legally available for the payment of such dividends) that amount which shall be equal to dividends at the rate per share fixed for such series by the Board of Directors pursuant to Paragraph II of this Class A Part, for the period of time elapsed from the date of cumulation of such series to the date as of which full cumulative dividends are to be computed (including an amount equal to a dividend at such rate for the elapsed portion of the current dividend period) less, in each case, the amount of all dividends paid, or deemed paid, upon such stock.

The term "junior stock", whenever used in this Class A Part, shall mean the Common Stock, Preference Stock and any other class or classes of stock of the Corporation over which the Class A Preferred Stock has preference or priority with respect to the payment of dividends and the distribution of assets upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary.

The term "junior stock equity", whenever used in this Class A Part, shall mean the aggregate par value of, or stated capital represented by, the outstanding shares of the junior stock of the Corporation including premiums thereon plus any surplus of the Corporation.

The term "junior stock equity ratio" shall mean the ratio, computed as of the end of the second calendar month preceding the date of the authorization by the Board of Directors of the proposed distribution on junior stock and adjusted to reflect the proposed distribution on junior stock, of

(i) the aggregate par value of, or stated capital represented by, the outstanding shares of the junior stock, including premiums on junior stock, plus the consolidated surplus of the Corporation and its subsidiaries, as hereinafter in this Class A Part defined,

to

(ii) the total capitalization of the Corporation and its subsidiaries, as hereinafter in this Class A Part defined, plus the consolidated surplus of the Corporation and its subsidiaries.

The term "total Capitalization of the Corporation and its subsidiaries" shall mean the aggregate of the principal amount of all indebtedness of the Corporation and its subsidiaries outstanding in the hands of the public maturing more than twelve (12) months from the date of determination of total capitalization of the Corporation and its subsidiaries, plus the par value of, or stated capital represented by, the shares of all classes of stock of the Corporation and its subsidiaries outstanding in the hands of the public, plus premium on such stock plus, in the case of such stock of subsidiaries, any surplus applicable thereto.

#### Redemption of Class A Preferred Stock

XIV. The Class A Preferred Stock of all series, or of any series thereof, or any part of any series thereof, at any time outstanding, may be redeemed by the Corporation, at its election expressed by resolution of the Board of Directors, at any time or from time to time (which time, when fixed in each case, is herein after called the "redemption date"), upon not less than thirty (30) days previous notice to the holders of record of the Class A Preferred Stock to be redeemed, given by mail and by publication in a newspaper of general circulation in the Borough of Manhattan, City and State of New York, in such manner as may be prescribed by resolution or resolutions of the Board of Directors, at the optional redemption price or prices fixed by the Board of Directors pursuant to Paragraph II of this Class A Part then applicable to the Class A Preferred Stock to be redeemed, plus an amount equal to full cumulative dividends thereon to the redemption date (the aggregate of which amounts is hereinafter in this Paragraph XIV called the "redemption price"). If less than all the outstanding shares of the Class A Preferred Stock of any series are to be redeemed, the redemption may be made either by lot or *pro rata* in such manner as may be prescribed by resolution of the Board of Directors. The Corporation may, if it so elects, provide moneys for the payment of the redemption price by depositing the amount thereof for the account of the holders of Class A Preferred Stock entitled thereto, with a bank or trust company doing business in the Borough of Manhattan, in the City of New York, and having capital and surplus of at least Five Million Dollars (\$5,000,000), at any time prior to the redemption date (the date of any such deposit being hereinafter called the "date of deposit"). In such event, the notice of redemption shall include a statement of the intention of the Corporation to deposit such amount prior to the redemption date and the name and address of the bank or trust company with which the deposit will be made. On and after the redemption date (unless default shall be made by the Corporation in providing moneys for the payment of the redemption price), or, if the Corporation shall make such deposit on or before the date specified therefor in the notice, then on and after the date of deposit, all dividends on the Class A Preferred Stock thereby called for redemption shall cease to accrue and, notwithstanding that any certificate for shares of Class A Preferred Stock so called for redemption shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed to be outstanding and all rights of the holders thereof as stockholders of the Corporation shall cease and terminate, except the right to receive the redemption price as hereinafter provided and except any conversion or exchange rights not theretofore expired. Such conversion or exchange rights, however, in any event shall cease and terminate upon the redemption date or upon any earlier date fixed by the Board

of Directors pursuant to Paragraph II of this Class A Part for the termination of such rights. The Corporation may pay in regular course any dividends reflected in the redemption price either to the holders of record on the record date fixed for determination of stockholders entitled to receive such dividends (in which event, anything herein to the contrary notwithstanding, the amount so deposited need not include any dividends so paid or to be paid) or as a part of the redemption price upon surrender of the certificates for the shares redeemed. On and after the redemption date or, if the Corporation shall elect to deposit the moneys for such redemption as herein provided, then on and after the date of deposit, the holders of record of the Class A Preferred Stock to be redeemed shall be entitled to receive the redemption price upon actual delivery to the Corporation or, in the event of such a deposit, to the bank or trust company with which such deposit is made, of certificates for the shares to be redeemed (such certificates, if required, to be properly stamped for transfer and duly endorsed in blank or accompanied by proper instruments of assignment and transfer thereof duly endorsed in blank). Any moneys so deposited which shall remain unclaimed by the holders of such Class A Preferred Stock at the end of six (6) years after the redemption date shall be paid by such bank or trust company to the Corporation; provided, however, that all money so deposited, which shall not be required for such redemption because of the exercise of any right of conversion or exchange, shall be returned to the Corporation forthwith. Any interest accrued on moneys so deposited shall be paid to the Corporation from time to time.

#### Purchase of Class A Preferred Stock

XV. The Corporation may, from time to time, subject to the provisions of Paragraph II of this Class A Part, purchase the whole of the Class A Preferred Stock or any series thereof, or any part of any series thereof, upon the best terms reasonably obtainable, but in no event at a price greater than the then current redemption of the shares so purchased.

**ARTICLE III**

In accordance with Section 490.1003 of the Iowa Business Corporation Act, the shareholders of the Corporation approved on April 23, 2001, this Amendment by the following votes, with the number of affirmative votes cast by each voting group entitled to vote separately on the Amendment being sufficient for approval by such voting group:

<u>Class</u>	<u>Number of Shares Outstanding and Entitled to Vote</u>	<u>Number of Shares Represented at the Special Meeting</u>	<u>Number of Affirmative Votes Cast</u>
Common Stock	13,370,788	13,370,788	13,370,788
4.30% Preferred Stock	120,000	112,398	112,058
4.80% Preferred Stock	146,406	91,024	74,877
6.10% Preferred Stock	100,000	70,609	69,050

**ARTICLE IV**

These Articles of Amendment shall be effective at 5:00 p.m., Central Time, on the 20th day of December, 2001.

Executed on behalf of the Corporation on the 18th day of December, 2001.

By:



Edward M. Gleason  
Vice President-Treasurer and  
Corporate Secretary

*This instrument was drafted by, and should be returned to, Peter C. Lardner, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.*

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**ARTICLES OF AMENDMENT  
OF  
AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
IES UTILITIES INC.**

517503 AMEND #50.00 DJC 2

**ARTICLE I**

The name of the Corporation is IES Utilities Inc.

**ARTICLE II**

Article I of the Corporation's Articles of Incorporation is amended by deleting the existing Article I and by inserting the following in lieu thereof:

"The name of the corporation is Interstate Power and Light Company."

**ARTICLE III**

In accordance with Section 490.1003 of the Iowa Business Corporation Act, the shareholders of the Corporation approved as of April 23, 2001, this Amendment by the following votes, with the number of affirmative votes cast by each voting group entitled to vote separately on the Amendment being sufficient for approval by such voting group:

<u>Class</u>	<u>Number of Shares Outstanding and Entitled to Vote</u>	<u>Number of Shares Represented at the Special Meeting</u>	<u>Number of Affirmative Votes Cast</u>
Common Stock	13,370,788	13,370,788	13,370,788
4.30% Preferred Stock	120,000	112,398	111,058
4.80% Preferred Stock	146,406	91,024	74,748
6.10% Preferred Stock	100,000	70,609	69,135

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**ARTICLE IV**

These Articles of Amendment shall be effective at 12:02 a.m., Central Time, on the 1<sup>st</sup> day of January, 2002.

Executed on behalf of the Corporation on the 18th day of December, 2001.

By: *Edward M. Gleason*  
Edward M. Gleason  
Vice President-Treasurer and Corporate Secretary

*This instrument was drafted by, and should be returned to, Peter C. Under Lardner, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.*

FILED  
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SECRETARY OF STATE

*12-20-01*  
*2:48 pm*

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**RESTATED ARTICLES OF INCORPORATION**

**OF**

**INTERSTATE POWER AND LIGHT COMPANY**

Pursuant to Sections 1006 and 1007 of the Iowa Business Corporation Act, these Restated Articles of Incorporation shall supersede and take the place of the Corporation's existing Amended and Restated Articles of Incorporation and all prior amendments thereto.

**ARTICLE I**

The name of the corporation is Interstate Power and Light Company.

**ARTICLE II**

**Section 1. Authorized Capital Stock.** The authorized capital stock of the Corporation shall consist of 40,000,000 shares, of which (i) 24,000,000 shares shall designated "Common Stock" of the par value of \$2.50 each; and (ii) 16,000,000 shares shall be designated "Preferred Stock" of the par value of \$.01 each.

**Section 2. Preferred Stock.** Authority is hereby vested in the Board of Directors to divide the Preferred Stock into series and, within the limitations set forth in the Iowa Business Corporation Act, to fix and determine the relative rights and preferences of the shares of any series so established, including, without limitation:

1. The voting power, if any, of the Preferred Stock of such series.
2. The rate and times at which, and the terms and conditions on which, dividends on the Preferred Stock of such series may be paid.
3. The price at and the terms and conditions on which the shares of Preferred Stock of such series may be redeemed.
4. The right, if any, of holders of shares of Preferred Stock of such series to convert the same into, or exchange the same for, other classes of stock of the Corporation and the terms and conditions of such conversion or exchange.
5. The rights of the holders of shares of Preferred Stock of such series, including without limitation the amount payable on shares of such series, upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation.
6. Sinking fund provisions for the redemption or purchase of shares of Preferred Stock of such series.

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In order to establish such series, the Board of Directors and the Corporation shall comply with the procedure therefor as provided in the Iowa Business Corporation Act. Upon such compliance, the resolution of the Board of Directors establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective and shall constitute an amendment of these Restated Articles of Incorporation.

The rights of the Common Stock of the Corporation shall be subject to the relative rights and preferences of the Preferred Stock of each series as fixed herein and from time to time by the Board of Directors as aforesaid.

The shares of Preferred Stock may be issued for such consideration as shall be fixed from time to time by the Board of Directors.

**Section 3. Distributions.** After the requirements, if any, with respect to preferential dividends upon the Preferred Stock of all series thereof shall have been met and after the Corporation shall have complied with all requirements, if any, with respect to the setting aside of sums as a sinking fund or redemption or purchase account for the benefit of any series thereof, then, and not otherwise, the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors. After distribution in full of the preferential amounts, if any, to be distributed to the holders of all series of Preferred Stock then outstanding in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation and subject any additional or special rights of the Preferred Stock as to the remaining assets of the Corporation for distribution, the holders of the Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its shareholders ratably in proportion to the number of shares of Common Stock held by them respectively.

**Section 4. Voting Rights.** Each holder of Common Stock shall have one vote in respect of each share of such stock held by such holder. Each holder of Preferred Stock shall have only such voting rights as are fixed for shares of each series by the Board of Directors pursuant to Section 2 of this Article IV or are provided, to the extent applicable, by the Iowa Business Corporation Act.

### ARTICLE III

**Section 1. Election of Directors.** The number of directors constituting the Board of Directors shall be as fixed from time to time by the Bylaws of the Corporation, but the number so fixed shall not be less than five (5). The directors of the Corporation shall be divided into three classes as nearly equal in number as possible, to serve for staggered three-year terms or until their respective successors are duly elected and qualified as provided for in the Bylaws of the Corporation. If, at any annual meeting of the stockholders, directors of more than one class are to be elected, each class of directors to be elected at such meeting shall be nominated and

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voted for in a separate election. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, shall be filled until the next succeeding annual meeting of stockholders by the majority vote of the directors then in office, even if less than a quorum.

#### ARTICLE IV

**Section 1. Liability.** A director of this Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, (iii) for any transaction from which the director derived an improper personal benefit, or (iv) under Section 490.833 of the Iowa Business Corporation Act. If, after approval by the stockholders of this section, the Iowa Business Corporation Act is amended to permit the further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Iowa Business Corporation Act, as so amended. Any repeal or modification of this section by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation in respect of any act or omission occurring prior to the time of repeal or modification.

**Section 2. Indemnification.** The Corporation shall indemnify its directors, officers, employees and agents to the full extent permitted by the Iowa Business Corporation Act, as amended from time to time. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this section.

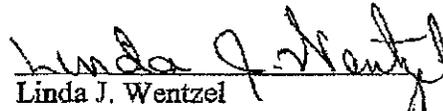
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These Restated Articles were approved by unanimous vote of the shareholders of Interstate Power and Light Company in a meeting held October 9, 2002.

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Signed this effective date October 9, 2002.

INTERSTATE POWER AND LIGHT  
COMPANY

  
Linda J. Wentzel  
Assistant Corporate Secretary

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**RESTATED  
ARTICLES OF INCORPORATION  
OF  
INTERSTATE POWER AND LIGHT COMPANY**

Pursuant to Section 1007(1) of the Iowa Business Corporation Act, these Restated Articles of Incorporation shall supersede and take the place of the Corporation's existing Restated Articles of Incorporation and all prior amendments thereto.

**ARTICLE I**

The name of the corporation is Interstate Power and Light Company.

**ARTICLE II**

**Section 1. Authorized Capital Stock.** The authorized capital stock of the Corporation shall consist of 40,000,000 shares, of which (i) 24,000,000 shares shall be designated "Common Stock" of the par value of \$2.50 each; and (ii) 16,000,000 shares shall be designated "Preferred Stock" of the par value of \$.01 each.

**Section 2. Preferred Stock.** Authority is hereby vested in the Board of Directors to divide the Preferred Stock into series and, within the limitations set forth in the Iowa Business Corporation Act, to fix and determine the relative rights and preferences of the shares of any series so established, including, without limitation:

1. The voting power, if any, of the Preferred Stock of such series.
2. The rate and times at which, and the terms and conditions on which, dividends on the Preferred Stock of such series may be paid.
3. The price at and the terms and conditions on which the shares of Preferred Stock of such series may be redeemed.
4. The right, if any, of holders of shares of Preferred Stock of such series to convert the same into, or exchange the same for, other classes of stock of the Corporation and the terms and conditions of such conversion or exchange.
5. The rights of the holders of shares of Preferred Stock of such series, including without limitation the amount payable on shares of such series, upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation.
6. Sinking fund provisions for the redemption or purchase of shares of Preferred Stock of such series.

In order to establish such series, the Board of Directors and the Corporation shall comply with the procedure therefor as provided in the Iowa Business Corporation Act. Upon such compliance, the resolution of the Board of Directors establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective and shall constitute an amendment of these Restated Articles of Incorporation.

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The rights of the Common Stock of the Corporation shall be subject to the relative rights and preferences of the Preferred Stock of each series as fixed herein and from time to time by the Board of Directors as aforesaid.

The shares of Preferred Stock may be issued for such consideration as shall be fixed from time to time by the Board of Directors.

\* \* \*

### 8.375% Series B Cumulative Preferred Stock

#### Section 1. Designation and Number.

(a) There is hereby created out of the authorized but unissued Preferred Stock a series of Preferred Stock designated as "8.375% Series B Cumulative Preferred Stock" (the "Series B Preferred Stock"). The number of shares constituting the Series B Preferred Stock shall be 6,000,000.

(b) All shares of the Series B Preferred Stock redeemed, purchased, exchanged, converted or otherwise acquired by the Corporation shall be retired and canceled and, upon the taking of any action required by applicable law, shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be designated or redesignated and issued or reissued as part of any series of Preferred Stock.

(c) Capitalized terms used herein and not otherwise defined herein or in the Corporation's Restated Articles of Incorporation shall have the meanings set forth in Section 7.

#### Section 2. Ranking.

(a) The Series B Preferred Stock shall rank, with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation:

- (i) senior to Junior Stock; and
- (ii) on a parity with Parity Stock.

#### Section 3. Dividends.

(a) The holders of shares of the Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the payment of dividends, cash dividends at an annual rate of 8.375% of the Liquidation Preference.

(b) All dividends on the Series B Preferred Stock shall accrue and be cumulative from the date of original issuance, subject to the following. Dividends shall be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on the First Dividend Payment Date. If any of those dates is not a Business Day, then dividends shall be payable on the next succeeding Business Day. Dividends shall be

payable on those dates to holders of record as they appear in the stock records of the Corporation at the close of business on the applicable record date, which shall be the last Business Day of the month prior to the month in which the applicable dividend payment date falls. Holders of shares of the Series A Preferred Stock exchanged for shares of the Series B Preferred Stock will not be entitled to receive any payments with respect to unpaid dividends on shares of the Series A Preferred Stock so exchanged. Notwithstanding the foregoing, on the First Dividend Payment Date, each share of the Series B Preferred Stock that was issued in exchange for a share of Series A Preferred Stock shall entitle the holder thereof to receive, when, as and if declared by the Board of Directors out of funds legally available for the payment of dividends, cash dividends in an amount equal to the cumulative dividends to which the holder of the shares of the Series A Preferred Stock in exchange for which such share of the Series B Preferred Stock was issued would have been entitled had such share of Series A Preferred Stock been outstanding on the applicable record date for such First Dividend Payment Date. The amount of dividends payable for the initial dividend period or any period shorter than a full dividend period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in the period.

(c) The Board of Directors shall not authorize, and the Corporation shall not pay, any dividends on the Series B Preferred Stock or set aside funds for the payment of dividends if the terms of any of the Corporation's agreements, including agreements relating to indebtedness, prohibit that authorization, payment or setting aside of funds or provide that the authorization, payment or setting aside of funds is a breach of or a default under that agreement, or if the authorization, payment or setting aside of funds is restricted or prohibited by law.

(d) Notwithstanding the provisions of Section 3(f), dividends on the Series B Preferred Stock shall accrue whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of dividends and whether or not dividends are authorized. No interest shall be paid in respect of any accrued but unpaid dividends on the Series B Preferred Stock.

(e) Holders of shares of the Series B Preferred Stock shall not be entitled to any dividends in excess of full cumulative dividends on the Series B Preferred Stock as described above. Any dividend payment made on the Series B Preferred Stock shall first be credited against the earliest accrued and unpaid dividend due.

(f) The Corporation shall not pay any dividends with respect to Junior Stock if dividends payable on the Series B Preferred Stock are in arrears.

#### Section 4. Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each holder of shares of the Series B Preferred Stock shall be entitled to payment, out of the Corporation's assets available for distribution to its shareowners, of an amount equal to the Liquidation Preference plus an amount equal to all accrued and unpaid dividends on those shares to, but excluding, the date of liquidation, dissolution or winding up before any distribution is made on any Junior Stock. After payment in full of the Liquidation Preference and the amount equal to all accrued and unpaid dividends to which holders of shares of the Series B Preferred Stock are entitled, the holders of the Series B Preferred Stock

shall not be entitled to any further participation in any distribution of the Corporation's assets. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the amounts payable with respect to shares of the Series B Preferred Stock and any Parity Stock are not paid in full, then the holders of shares of the Series B Preferred Stock and the holders of the Parity Stock shall share equally and ratably in any distribution of the Corporation's assets in proportion to the full distributable amounts to which each such holder is entitled.

(b) Neither the voluntary sale, conveyance, exchange or transfer, for cash, shares of stock, securities or other consideration, of all or substantially all of the Corporation's property or assets nor the consolidation, merger or amalgamation of the Corporation with or into any other entity or the consolidation, merger or amalgamation of any other entity with or into the Corporation will be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

Section 5. Redemption.

(a) The Corporation may not redeem the Series B Preferred Stock prior to March 15, 2013. On or after March 15, 2013, the Corporation, at its sole option, may redeem the Series B Preferred Stock, out of funds legally available therefor, in whole or in part from time to time at a price of \$25 per share, plus an amount equal to accrued and unpaid dividends to, but excluding, the redemption date (the "Redemption Price").

(b) In the case of any partial redemption, the Corporation may select the shares of the Series B Preferred Stock to be redeemed on a pro rata basis, by lot or any other method that the Corporation, in its discretion, deems fair and appropriate. However, the Corporation may, without regard to proportionality or any other factor, redeem all of the shares of the Series B Preferred Stock held by any holders of fewer than 100 shares of the Series B Preferred Stock (or all the shares of the Series B Preferred Stock held by holders who would hold fewer than 100 shares of the Series B Preferred Stock as a result of such redemption).

(c) If the Corporation elects to redeem the Series B Preferred Stock in the manner described in this Section 5, then notice of such redemption (the "Redemption Notice") shall be given to the holders of record of shares of the Series B Preferred Stock not less than 45 nor more than 90 days before the date of the redemption (the "Redemption Date"); provided, however, that no failure to give such Redemption Notice on or any deficiency therein shall affect the validity of the procedure for the redemption of any shares of the Series B Preferred Stock to be redeemed except as to the holder or holders to whom the Corporation has failed to give said Redemption Notice or except as to the holder or holders whose Redemption Notice was defective. All such Redemption Notices shall state:

- (i) the Redemption Date;
- (ii) the Redemption Price;
- (iii) the total number of shares of the Series B Preferred Stock to be redeemed;

(iv) that the Redemption Price will become due and payable on the Redemption Date upon each such share of Series B Preferred Stock to be redeemed and that dividends thereon will cease to accrue on and after the Redemption Date; and

(v) the place or places where certificates for the Series B Preferred Stock are to be surrendered for payment of the Redemption Price.

(d) Prior to any Redemption Date, the Corporation shall deposit with a designated bank or trust company as paying agent (or, if the Transfer Agent or the Corporation is acting as the paying agent, segregate and hold in trust) an amount of consideration sufficient to pay the Redemption Price of all shares of Series B Preferred Stock which are to be redeemed on that date other than any Series B Preferred Stock called for prior to the date of such deposit.

(e) Notice of redemption having been given as described above, the Redemption Price of the Series B Preferred Stock to be redeemed shall, on the Redemption Date, become due and payable, and from and after such date (unless the Corporation shall default in the payment of the Redemption Price), such shares of Series B Preferred Stock shall no longer be outstanding, dividends on such Series B Preferred Stock shall cease to accrue and all rights of holders thereof as shareowners of the Corporation (except the right to receive the Redemption Price without interest) shall cease. Upon book-entry transfer or surrender of any certificate representing any such share of Series B Preferred Stock for redemption in accordance with said notice, such Redemption Price shall thereupon be paid.

(f) If any certificate that represents more than one share of Series B Preferred Stock, not all of which are subject to redemption, is surrendered at any office or agency of the Corporation designated for that purpose (with, if the Corporation or the Transfer Agent so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Corporation and the Transfer Agent duly executed by, the holder thereof or such holder's attorney duly authorized in writing), the Corporation shall execute, and the Transfer Agent shall deliver to the holder of such shares of Series B Preferred Stock without service charge, a new certificate or certificates, representing any number of shares of Series B Preferred Stock, as requested by such holder, in an aggregate amount equal to the number of shares not redeemed and represented by the certificate so surrendered.

(g) Payment of the Redemption Price for the Series B Preferred Stock is conditioned upon book-entry transfer or physical delivery of the certificates representing the Series B Preferred Stock, together with necessary endorsements to the Transfer Agent at any time after delivery of the Redemption Notice. Payment of the Redemption Price for the Series B Preferred Stock will be made promptly following the later of the Redemption Date and the time of book-entry transfer or physical delivery of the certificates representing the Series B Preferred Stock subject to redemption.

(h) If the Transfer Agent holds money sufficient to pay the Redemption Price of the Series B Preferred Stock on the Redemption Date in accordance with the terms of this Section 5, then, on the Redemption Date, the Series B Preferred Stock will cease to be outstanding, whether or not book-entry transfer is made or certificates representing the Series B Preferred Stock are delivered to the Transfer Agent. At such time, all rights of a holder as a holder of Series B Preferred Stock shall terminate, other than the right to receive the Redemption Price.

(i) If the Redemption Date falls after a dividend payment record date and before the related dividend payment date, then the holders of the shares of Series B Preferred Stock at the close of business on that dividend payment record date will be entitled to receive the dividend payable of those shares on the corresponding dividend payment date. However, the Redemption Price payable on such Redemption Date will not include dividends accruing on that dividend payment record date and payable on the corresponding dividend payment date.

**Section 6. Voting Rights.**

(a) The shares of Series B Preferred Stock shall have no voting rights except as set forth in this Section 6 or as otherwise provided by Iowa law.

(b) In the event that any four quarterly cumulative dividends, whether consecutive or not, payable on the Series B Preferred Stock are in arrears, the holders of the Series B Preferred Stock shall have the right, voting separately as a class together with holders of any Parity Stock upon which like voting rights have been conferred and are exercisable, at the next meeting of shareowners called for the election of directors, to elect two members of the Board of Directors. The right of such holders of the Series B Preferred Stock to elect members of the Board of Directors shall continue until such time as all dividends accumulated and in arrears on such shares of the Series B Preferred Stock have been paid in full, at which time such right will terminate, subject to revesting in the event of each and every subsequent failure to pay dividends as described above. Upon any termination of the right of the holders of the Series B Preferred Stock to vote as a class for directors, the term of office of all directors then in office elected by such holders voting as a class will terminate immediately.

(c) Without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series B Preferred Stock, voting as a single class, or voting as a single class together with holders of any other series of Preferred Stock (i) upon which like voting or consent rights have been conferred and (ii) which are similarly affected by the matter to be voted upon, the Corporation shall not:

(i) increase the amount of authorized shares of the Preferred Stock or create or issue any class of stock in addition to the Preferred Stock ranking senior to or on a parity with the Preferred Stock, or any series thereof, as to the payment of dividends or the distribution of assets;

(ii) adopt any amendment to the Restated Articles of Incorporation of the Corporation that adversely alters the preferences, powers and rights of the Series B Preferred Stock (provided, that Articles of Amendment to issue a series of Preferred Stock shall not be considered to adversely alter the preferences, powers and rights of the Series B Preferred Stock solely because such series is on parity with the Series B Preferred Stock with respect to payment of dividends and distribution of assets);

(iii) issue any shares of Preferred Stock of any series if the cumulative dividends payable on the Series B Preferred Stock are in arrears; or

(iv) create or issue any shares of Preferred Stock of any series that rank senior to the Series B Preferred Stock as to payment of dividends or the distribution of assets.

(d) On any matter set forth in Section 6(b) or Section 6(c) in which the holders of the Series B Preferred Stock are entitled to vote as a class, such holders will be entitled to one vote per share. On any other matter for which holders of the Series B Preferred Stock are provided the right to vote together with holders of the Common Stock under Iowa law, if any, holders of the Series B Preferred Stock will be entitled to the number of votes per share determined by dividing the Liquidation Preference of such share by 100.

**Section 7. Certain Definitions.** As used in this Amendment, the following terms shall have the following meanings, unless the context otherwise requires:

(a) "Board of Directors" means the board of directors of the Corporation.

(b) "Business Day" means any day other than a Saturday, Sunday or U.S. Federal holiday or day on which commercial banks in the City of New York or the States of Iowa or Wisconsin are authorized or required by law or executive order to close.

(c) "First Dividend Payment Date" means the first dividend payment date to occur following the date on which shares of the Series B Preferred Stock are first issued in exchange for shares of the Series A Preferred Stock.

(d) "Junior Stock" means the Common Stock and any other of the Corporation's equity securities that by their terms rank junior to the Series B Preferred Stock with respect to payment of dividends and distribution of assets upon the liquidation, dissolution or winding up of the Corporation.

(e) "Liquidation Preference" means \$25 per share of the Series B Preferred Stock.

(f) "Parity Stock" means any series of preferred stock established hereafter by the Board of Directors, the terms of which expressly provide that such series will rank on a parity with the Series B Preferred Stock with respect to payment of dividends and distribution of assets upon the liquidation, dissolution or winding up of the Corporation.

(g) "Transfer Agent" means the Shareowner Services Department of Alliant Energy Corporation, as the transfer agent of the Corporation, and any successor transfer agent duly appointed by the Corporation.

**Section 8. Headings.** The headings of the Sections are for convenience of reference only and shall not define, limit or affect any of the provisions hereof.

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**Section 3. Distributions.** After the requirements, if any, with respect to preferential dividends upon the Preferred Stock of all series thereof shall have been met and after the Corporation shall have complied with all requirements, if any, with respect to the setting aside of sums as a

sinking fund or redemption or purchase account for the benefit of any series thereof, then, and not otherwise, the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors. After distribution in full of the preferential amounts, if any, to be distributed to the holders of all series of Preferred Stock then outstanding in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation and subject to any additional or special rights of the Preferred Stock as to the remaining assets of the Corporation for distribution, the holders of the Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its shareholders ratably in proportion to the number of shares of Common Stock held by them respectively.

**Section 4. Voting Rights.** Each holder of Common Stock shall have one vote in respect of each share of such stock held by such holder. Each holder of Preferred Stock shall have only such voting rights as are fixed for shares of each series by the Board of Directors pursuant to Section 2 of this Article IV or are provided, to the extent applicable, by the Iowa Business Corporation Act.

### ARTICLE III

**Section 1. Election of Directors.** The number of directors constituting the Board of Directors shall be as fixed from time to time by the Bylaws of the Corporation, but the number so fixed shall not be less than five (5). The directors of the Corporation shall be divided into three classes as nearly equal in number as possible, to serve for staggered three-year terms or until their respective successors are duly elected and qualified as provided for in the Bylaws of the Corporation. If, at any annual meeting of the stockholders, directors of more than one class are to be elected, each class of directors to be elected at such meeting shall be nominated and voted for in a separate election. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, shall be filled until the next succeeding annual meeting of stockholders by the majority vote of the directors then in office, even if less than a quorum.

### ARTICLE IV

**Section 1. Liability.** A director of this Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, (iii) for any transaction from which the director derived an improper personal benefit, or (iv) under Section 490.833 of the Iowa Business Corporation Act. If, after approval by the stockholders of this section, the Iowa Business Corporation Act is amended to permit the further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Iowa Business Corporation Act, as so amended. Any repeal or modification of this section by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation in respect of any act or omission occurring prior to the time of repeal or modification.

**Section 2. Indemnification.** The Corporation shall indemnify its directors, officers, employees and agents to the full extent permitted by the Iowa Business Corporation Act, as amended from time to time. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation,

partnership, joint venture, trust, or other enterprise against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this section.

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The undersigned hereby certifies that the foregoing Restated Articles of Incorporation consolidate all amendments to Interstate Power and Light Company's Articles of Incorporation as of this 2nd day of September, 2003, into a single document.

**INTERSTATE POWER AND LIGHT  
COMPANY**

  
\_\_\_\_\_  
F. J. Buri  
Corporate Secretary

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ARTICLES OF AMENDMENT  
OF  
INTERSTATE POWER AND LIGHT COMPANY

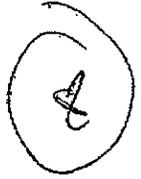
(Regarding Designation and Authorization of 7.10% Series C  
Cumulative Preferred Stock)

TO THE SECRETARY OF STATE  
OF THE STATE OF IOWA:

Pursuant to Section 490.602 of the Iowa Business Corporation Act, Interstate Power and Light Company, an Iowa corporation (the "Corporation"), adopts the following amendment regarding the designation and authorization of 7.10% Series C Cumulative Preferred Stock by the Corporation.

1. The name of the Corporation is Interstate Power and Light Company.
2. The preferences, limitations, relative rights and other terms of the 7.10% Series C Cumulative Preferred Stock were determined by an ad hoc special committee of the Corporation's Board of Directors, consisting of Erroll B. Davis, Jr. (the "Committee"), pursuant to authority granted by the Board of Directors of the Corporation under Section 490.825 of the Iowa Business Corporation Act on August 20, 2003. A true and correct copy of the portion of the consent action by which the Committee authorized the 7.10% Series C Cumulative Preferred Stock and determined the preferences, limitations, relative rights and other terms thereof is attached hereto as Exhibit A and incorporated herein by this reference.
3. The consent action of the Committee as set forth in Exhibit A was duly adopted by the Committee on September 9, 2003 pursuant to authority granted by the Board of Directors of the Corporation under Section 490.825 of the Iowa Business Corporation Act on August 20, 2003.

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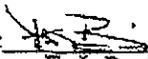
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Dated: September 9, 2003

**INTERSTATE POWER AND  
LIGHT COMPANY**

By:   
F. J. Buri  
Corporate Secretary

**CONSENT ACTION OF THE AD HOC SPECIAL COMMITTEE  
OF THE BOARD OF DIRECTORS ESTABLISHING  
7.10% SERIES C CUMULATIVE PREFERRED STOCK**

There is hereby authorized and established a series of shares of Preferred Stock, \$.01 par value, of the Corporation to be known and designated as the 7.10% Series C Cumulative Preferred Stock, with the preferences, limitations, relative rights and other terms as set forth below.

**CERTIFICATE OF DESIGNATION**

**7.10% Series C Cumulative Preferred Stock**

**Section 1. Designation and Number.**

(a) There is hereby created out of the authorized but unissued Preferred Stock a series of Preferred Stock designated as "7.10% Series C Cumulative Preferred Stock" (the "Series C Preferred Stock"). The number of shares constituting the Series C Preferred Stock shall be 1,600,000.

(b) All shares of the Series C Preferred Stock redeemed, purchased, exchanged, converted or otherwise acquired by the Corporation shall be retired and canceled and, upon the taking of any action required by applicable law, shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be designated or redesignated and issued or reissued as part of any series of Preferred Stock.

(c) Capitalized terms used herein and not otherwise defined herein or in the Corporation's Restated Articles of Incorporation shall have the meanings set forth in Section 7.

**Section 2. Ranking.**

(a) The Series C Preferred Stock shall rank, with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation:

- (i) senior to Junior Stock; and
- (ii) on a parity with Parity Stock.

**Section 3. Dividends.**

(a) The holders of shares of the Series C Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the payment of dividends, per share cash dividends at an annual rate of 7.10% of the Liquidation Preference.

(b) All dividends on the Series C Preferred Stock shall accrue and be cumulative from the date of original issuance. Dividends shall be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on December 15, 2003. If any

of those dates is not a Business Day, then dividends shall be payable on the next succeeding Business Day. Dividends shall be payable on those dates to holders of record as they appear in the stock records of the Corporation at the close of business on the applicable record date, which shall be the last Business Day of the month prior to the month in which the applicable dividend payment date falls. The amount of dividends payable for the initial dividend period or any period shorter than a full dividend period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in the period.

(c) The Board of Directors shall not authorize, and the Corporation shall not pay, any dividends on the Series C Preferred Stock or set aside funds for the payment of dividends if the terms of any of the Corporation's agreements, including agreements relating to indebtedness, prohibit that authorization, payment or setting aside of funds or provide that the authorization, payment or setting aside of funds is a breach of or a default under that agreement, or if the authorization, payment or setting aside of funds is restricted or prohibited by law.

(d) Notwithstanding the provisions of Section 3(c), dividends on the Series C Preferred Stock shall accrue whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of dividends and whether or not dividends are authorized. No interest shall be paid in respect of any accrued but unpaid dividends on the Series C Preferred Stock.

(e) Holders of shares of the Series C Preferred Stock shall not be entitled to any dividends in excess of full cumulative dividends on the Series C Preferred Stock as described above. Any dividend payment made on the Series C Preferred Stock shall first be credited against the earliest accrued and unpaid dividend due.

(f) The Corporation shall not pay any dividends with respect to Junior Stock if dividends payable on the Series C Preferred Stock are in arrears.

#### Section 4. Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each holder of shares of the Series C Preferred Stock shall be entitled to payment, out of the Corporation's assets available for distribution to its shareowners, of an amount equal to the Liquidation Preference plus an amount equal to all accrued and unpaid dividends on those shares to, but excluding, the date of liquidation, dissolution or winding up before any distribution is made on any Junior Stock. After payment in full of the Liquidation Preference and the amount equal to all accrued and unpaid dividends to which holders of shares of the Series C Preferred Stock are entitled, the holders of the Series C Preferred Stock shall not be entitled to any further participation in any distribution of the Corporation's assets. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the amounts payable with respect to shares of the Series C Preferred Stock and any Parity Stock are not paid in full, then the holders of shares of the Series C Preferred Stock and the holders of the Parity Stock shall share equally and ratably in any distribution of the Corporation's assets in proportion to the full distributable amounts to which each such holder is entitled.

(b) Neither the voluntary sale, conveyance, exchange or transfer, for cash, shares of stock, securities or other consideration, of all or substantially all of the Corporation's property or assets nor the consolidation, merger or amalgamation of the Corporation with or into any other entity or the consolidation, merger or amalgamation of any other entity with or into the Corporation will be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

**Section 5. Redemption.**

(a) The Corporation may not redeem the Series C Preferred Stock prior to September 15, 2008. On or after September 15, 2008, the Corporation, at its sole option, may redeem the Series C Preferred Stock, out of funds legally available therefor, in whole or in part from time to time at a price of \$25 per share, plus an amount equal to accrued and unpaid dividends to, but excluding, the redemption date (the "Redemption Price").

(b) In the case of any partial redemption, the Corporation may select the shares of the Series C Preferred Stock to be redeemed on a pro rata basis, by lot or any other method that the Corporation, in its discretion, deems fair and appropriate. However, the Corporation may, without regard to proportionality or any other factor, redeem all of the shares of the Series C Preferred Stock held by any holders of fewer than 100 shares of the Series C Preferred Stock (or all the shares of the Series C Preferred Stock held by holders who would hold fewer than 100 shares of the Series C Preferred Stock as a result of such partial redemption).

(c) If the Corporation elects to redeem the Series C Preferred Stock in the manner described in this Section 5, then notice of such redemption (the "Redemption Notice") shall be given to the holders of record of shares of the Series C Preferred Stock not less than 45 nor more than 90 days before the date of the redemption (the "Redemption Date"); provided, however, that no failure to give such Redemption Notice or any deficiency therein shall affect the validity of the procedure for the redemption of any shares of the Series C Preferred Stock to be redeemed except as to the holder or holders to whom the Corporation has failed to give said Redemption Notice or except as to the holder or holders whose Redemption Notice was defective. All such Redemption Notices shall state:

- (i) the Redemption Date;
- (ii) the Redemption Price;
- (iii) the total number of shares of the Series C Preferred Stock to be redeemed;
- (iv) that the Redemption Price will become due and payable on the Redemption Date upon each such share of Series C Preferred Stock to be redeemed and that dividends thereon will cease to accrue on and after the Redemption Date; and
- (v) the place or places where certificates for the Series C Preferred Stock are to be surrendered for payment of the Redemption Price.

(d) Prior to any Redemption Date, the Corporation shall deposit with a designated bank or trust company as paying agent (or, if the Transfer Agent or the Corporation is acting as the paying agent, segregate and hold in trust) an amount of consideration sufficient to pay the Redemption Price of all shares of Series C Preferred Stock which are to be redeemed on that date other than any Series C Preferred Stock called for redemption prior to the date of such deposit.

(e) Notice of redemption having been given as described above, the Redemption Price of the Series C Preferred Stock to be redeemed shall, on the Redemption Date, become due and payable, and from and after such date (unless the Corporation shall default in the payment of the Redemption Price), such shares of Series C Preferred Stock shall no longer be outstanding, dividends on such Series C Preferred Stock shall cease to accrue and all rights of holders thereof as shareowners of the Corporation (except the right to receive the Redemption Price without interest) shall cease. Upon book-entry transfer or surrender of any certificate representing any such share of Series C Preferred Stock for redemption in accordance with said notice, such Redemption Price shall thereupon be paid.

(f) If any certificate that represents more than one share of Series C Preferred Stock, not all of which are subject to redemption, is surrendered at any office or agency of the Corporation designated for that purpose (with, if the Corporation or the Transfer Agent so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Corporation and the Transfer Agent duly executed by, the holder thereof or such holder's attorney duly authorized in writing), the Corporation shall execute, and the Transfer Agent shall deliver to the holder of such shares of Series C Preferred Stock without service charge, a new certificate or certificates, representing any number of shares of Series C Preferred Stock, as requested by such holder, in an aggregate amount equal to the number of shares not redeemed and represented by the certificate so surrendered.

(g) Payment of the Redemption Price for the Series C Preferred Stock is conditioned upon book-entry transfer or physical delivery of the certificates representing the Series C Preferred Stock, together with necessary endorsements to the Transfer Agent at any time after delivery of the Redemption Notice. Payment of the Redemption Price for the Series C Preferred Stock will be made promptly following the later of the Redemption Date and the time of book-entry transfer or physical delivery of the certificates representing the Series C Preferred Stock subject to redemption.

(h) If the Transfer Agent holds money sufficient to pay the Redemption Price of the Series C Preferred Stock on the Redemption Date in accordance with the terms of this Section 5, then, on the Redemption Date, the Series C Preferred Stock will cease to be outstanding, whether or not book-entry transfer is made or certificates representing the Series C Preferred Stock are delivered to the Transfer Agent. At such time, all rights of a holder as a holder of Series C Preferred Stock shall terminate, other than the right to receive the Redemption Price.

(i) Notwithstanding the foregoing, if the Redemption Date falls after a dividend payment record date and before the related dividend payment date, then the holders of the shares of Series C Preferred Stock at the close of business on that dividend payment record date will be entitled to receive the dividend payable on those shares on the corresponding dividend payment

date. However, the Redemption Price payable on such Redemption Date will not include dividends accruing on that dividend payment record date and payable on the corresponding dividend payment date.

**Section 6. Voting Rights.**

(a) The shares of Series C Preferred Stock shall have no voting rights except as set forth in this Section 6 or as otherwise provided by Iowa law.

(b) In the event that any four quarterly cumulative dividends, whether consecutive or not, payable on the Series C Preferred Stock are in arrears, the holders of the Series C Preferred Stock shall have the right, voting separately as a class together with holders of any Parity Stock upon which like voting rights have been conferred and are exercisable, at the next meeting of shareowners called for the election of directors, to elect two members of the Board of Directors. The right of such holders of the Series C Preferred Stock to elect members of the Board of Directors shall continue until such time as all dividends accumulated and in arrears that are payable on such shares of the Series C Preferred Stock have been paid in full, at which time such right will terminate, subject to reversion in the event of each and every subsequent failure to pay dividends as described above. Upon any termination of the right of the holders of the Series C Preferred Stock to vote as a class for directors, the term of office of all directors then in office elected by such holders voting as a class will terminate immediately.

(c) Without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series C Preferred Stock, voting as a single class, or voting as a single class together with holders of any other series of Preferred Stock (i) upon which like voting or consent rights have been conferred and (ii) which are similarly affected by the matter to be voted upon, the Corporation shall not:

(i) increase the amount of authorized shares of the Preferred Stock or create or issue any class of stock in addition to the Preferred Stock ranking senior to or on a parity with the Preferred Stock, or any series thereof, as to the payment of dividends or the distribution of assets;

(ii) adopt any amendment to the Restated Articles of Incorporation of the Corporation that adversely alters the preferences, powers and rights of the Series C Preferred Stock (provided, that Articles of Amendment to issue a series of Preferred Stock shall not be considered to adversely alter the preferences, powers and rights of the Series C Preferred Stock solely because such series is on parity with the Series C Preferred Stock with respect to payment of dividends and distribution of assets);

(iii) issue any shares of Preferred Stock of any series if the cumulative dividends payable on the Series C Preferred Stock are in arrears; or

(iv) create or issue any shares of Preferred Stock of any series that rank senior to the Series C Preferred Stock as to payment of dividends or the distribution of assets.

(d) On any matter set forth in Section 6(b) or Section 6(c) in which the holders of the Series C Preferred Stock are entitled to vote as a class, such holders will be entitled to one

vote per share. On any other matter for which holders of the Series C Preferred Stock are provided the right to vote together with holders of the Common Stock under Iowa law, if any, holders of the Series C Preferred Stock will be entitled to the number of votes per share determined by dividing the Liquidation Preference of such share by 100.

**Section 7. Certain Definitions.** As used in this Certificate of Designation, the following terms shall have the following meanings, unless the context otherwise requires:

(a) "Board of Directors" means the board of directors of the Corporation.

(b) "Business Day" means any day other than a Saturday, Sunday or U.S. Federal holiday or day on which commercial banks in the City of New York or the States of Iowa or Wisconsin are authorized or required by law or executive order to close.

(c) "Junior Stock" means the Common Stock and any other of the Corporation's equity securities that by their terms rank junior to the Series C Preferred Stock with respect to payment of dividends and distribution of assets upon the liquidation, dissolution or winding up of the Corporation.

(d) "Liquidation Preference" means \$25 per share of the Series C Preferred Stock.

(e) "Parity Stock" means the Series B Preferred Stock of the Corporation and any series of preferred stock established hereafter by the Board of Directors, the terms of which expressly provide that such series will rank on a parity with the Series C Preferred Stock with respect to payment of dividends and distribution of assets upon the liquidation, dissolution or winding up of the Corporation.

(f) "Transfer Agent" means the Shareowner Services Department of Alliant Energy Corporation, as the transfer agent of the Corporation, and any successor transfer agent duly appointed by the Corporation.

**Section 8. Headings.** The headings of the Sections are for convenience of reference only and shall not define, limit or affect any of the provisions hereof.



STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 03:00 PM 12/20/2001  
010659654 - 0182830

ESSEX CORPORATIONS TRUST-DOVER, DE 302-674-8340 (THU) 12. 20' 01 15:34/ST. 15:33/NO. 4260103227 P 2

**CERTIFICATE OF MERGER  
OF  
INTERSTATE POWER COMPANY  
WITH AND INTO  
IES UTILITIES INC.**

The undersigned corporation, in accordance with Section 252 of the Delaware General Corporation Law ("DGCL"), does hereby certify that:

**ARTICLE I**

That the names and states of jurisdiction of each of the constituent corporations are as follows:

IES Utilities Inc., an Iowa corporation ("Survivor")  
Interstate Power Company, a Delaware corporation ("IPC")

**ARTICLE II**

That the Agreement and Plan of Merger (the "Plan of Merger") between Survivor and IPC providing for the merger of IPC with and into Survivor (the "Merger"), has been approved, adopted, certified, executed and acknowledged by each of the constituent entities in the Merger, in accordance with the requirements of Section 252 of the DGCL.

**ARTICLE III**

That the name of the surviving corporation in the Merger is "IES Utilities Inc."

**ARTICLE IV**

That the Articles of Incorporation of Survivor shall be the Articles of Incorporation of the surviving corporation in the Merger.

**ARTICLE V**

That the executed Plan of Merger is on file at the principal place of business of Survivor, the address of which is 200 First Street, SE, Cedar Rapids, Iowa 52401.

**ARTICLE VI**

That a copy of the Plan of Merger will be furnished by Survivor, on request and without cost, to any stockholder of any constituent entity.

**ARTICLE VII**

That Survivor may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of any constituent corporation of the State of Delaware, as well as for enforcement of any obligation of Survivor arising from the Merger, including any suit or other proceeding to enforce the right of any stockholders as determined in

FROM CORPORATION TRUST-DOVER, DE 302-674-8340

(THU) 12. 20' 01 15:34/ST. 15:33/NO. 4260103227 P 3  
312 345 4344 P. 03/04

**appraisal proceedings pursuant to Section 262 of the DGCL, and Survivor hereby irrevocably appoints the Secretary of State of the State of Delaware as agent of Survivor to accept service of process in any such suit or other proceedings. The address to which a copy of such process shall be mailed by the Secretary of State is IES Utilities Inc., 200 First Street, SE, Cedar Rapids, Iowa 52401, attention: General Counsel.**

FROM CORPORATION TRUST-DOVER, DE 302-674-8340

(THU) 12. 20' 01 15:34/ST. 15:33/NO. 4260103227 P 4  
312 345 4344 P. 04/04

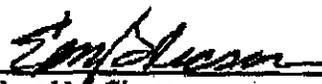
**ARTICLE VIII**

This Certificate of Merger shall be effective as of January 1, 2002, at 1:01 a.m., Eastern Time.

IN WITNESS WHEREOF, the undersigned Survivor has caused this Certificate of Merger to be executed as of the 18th day of December, 2001.

**IES UTILITIES INC.**  
("Survivor")

By: \_\_\_\_\_

  
Edward M. Gleason  
Vice President-Treasurer and Corporate Secretary

*This Document was drafted by, and a copy hereof should be returned to, Peter C. Underwood of Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.*

State of Delaware  
Office of the Secretary of State

PAGE 1 OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 181 of 239  
RPU-2009-0002

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"INTERSTATE POWER COMPANY", A DELAWARE CORPORATION, WITH AND INTO "IES UTILITIES INC." UNDER THE NAME OF "IES UTILITIES INC.", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF IOWA, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTIETH DAY OF DECEMBER, A.D. 2001, AT 3 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE FIRST DAY OF JANUARY, A.D. 2002, AT 1:01 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

3471917 8100M

AUTHENTICATION: 1522543

010659654

DATE: 12-21-01

Company	Series	Par	# Shares Outstanding	Redemption?	When?
Interstate Power and Light Company					
Iowa Electric Light and Power Company	4.30% Series Cumulative Preferred Stock	\$50 par	120,000	Any time after 3/31/1964 at \$51.00/share + accrued and unpaid dividends to and including the date of redemption.	If we deposit cash immediately and give an irrevocable redemption notice, the preferred will no longer be deemed to be outstanding.
Iowa Electric Light and Power Company	4.80% Series Cumulative Preferred Stock	\$50 par	146,406	Any time after 6/30/1960 at \$50.25/share + accrued dividends to the date of redemption.	30 days notice needed
Iowa Electric Light and Power Company	6.10% Series Cumulative Preferred Stock	\$50 par	100,000	Any time after 8/31/1977 at \$51.00/share. Terms of redemption provided in Paragraph IV of Section 2 of Article IV of the Articles of Incorporation, as amended.	30 days notice needed
Interstate Power Company	4.36% Series Cumulative Preferred	\$50 par	60,455	Any time after 6/1/1956 at \$52.00/share + accrued dividends to the date of redemption.	30 days notice needed
Interstate Power Company	4.68% Series Cumulative Preferred	\$50 par	55,926	Any time after 5/1/1975 at the initial public offering price \$50.869/share + a premium of \$0.75/share + accrued dividends to the date of redemption	30 days notice needed
Interstate Power Company	7.76% Series Cumulative Preferred	\$50 par	100,000	Any time after 5/1/1984 at the initial public offering price \$51.052/share + a premium of \$0.97/share + accrued dividends to the date of redemption	30 days notice needed
Interstate Power Company	6.40% Series Cumulative Preferred	\$50 par	545,000	Not redeemable prior to 5/1/2003, if borrowed funds have an interest rate or dividend rate or an effective cost of money of 6.40% or less. Otherwise, redeemable any time before 5/1/2003 at \$53.20/share + accrued dividends to redemption date.	30 days notice needed

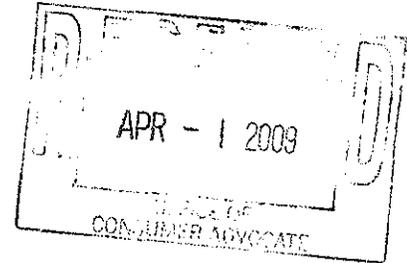
Company	Series	Covenants	Reference	Date of Agreement	Redemption price + premium
Interstate Power and Light Company					
Iowa Electric Light and Power Company	4.30% Series Cumulative Preferred Stock	Net earnings/fixed charges test of 1.5X needed in order to issue additional preferred stock.; Preferred holder approval needed for merger.	Prospectus	Dated 5/10/1954	\$ 6,120,000.00
Iowa Electric Light and Power Company	4.80% Series Cumulative Preferred Stock	Net earnings/fixed charges test of 1.5X needed in order to issue additional preferred stock.; Preferred holder approval needed for merger.	Prospectus	Dated 3/31/1950	\$ 7,356,901.50
Iowa Electric Light and Power Company	6.10% Series Cumulative Preferred Stock	Net earnings/fixed charges test of 1.5X needed in order to issue additional preferred stock.; Preferred holder approval needed for merger.	Purchase Agreement - Annex 1; Articles of Incorporation; Board Resolution	Dated 8/14/1967	\$ 5,100,000.00 \$ 18,576,901.50
Interstate Power Company	4.35% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (10% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 11/30/1954	\$ 3,143,660.00
Interstate Power Company	4.68% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (10% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 5/19/1965	\$ 2,886,844.19
Interstate Power Company	7.76% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (10% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 5/20/1969	\$ 5,203,000.00
Interstate Power Company	6.40% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (20% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 5/18/1993	\$ 28,994,000.00 \$ 40,227,504.19

COPY

Confidential/Trade Secret

**Supplemental Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 5 B**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 184 of 239  
RPU-2009-0002



Docket Number: RUP-04-1  
Date of Request: March 17, 2004  
Response Due: March 24, 2004  
Information Requested By: Ron Polle  
Date Responded: April 30, 2004  
Author: Enrique Bacalao  
Author's Title: Assistant Treasurer  
Author's Telephone No.: 608-458-3250  
Witness: (If other than Author) [ ]  
Reference: Direct Testimony Page 18 Line 19 through Page 19 Line 15, and Page 20 Line 4.

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**Data Request No. 5 B**

Identify how the corporate charter has been simplified and improved by the redemption of all the "old" preferred equity and by the issuance of the "new" preferred.

**Response**

See attached for Revised Attachment K.

Company	Series	Par	# Shares Outstanding	Redemption?	When?
Interstate Power and Light Company					
Iowa Electric Light and Power Company	4.30% Series Cumulative Preferred Stock	\$50 par	120,000	Any time after 3/31/1964 at \$51.00/share + accrued and unpaid dividends to and including the date of redemption.	If we deposit cash immediately and give an irrevocable redemption notice, the preferred will no longer be deemed to be outstanding.
Iowa Electric Light and Power Company	4.80% Series Cumulative Preferred Stock	\$50 par	146,406	Any time after 6/30/1960 at \$50.25/share + accrued dividends to the date of redemption.	30 days notice needed
Iowa Electric Light and Power Company	6.10% Series Cumulative Preferred Stock	\$50 par	100,000	Any time after 8/31/1977 at \$51.00/share. Terms of redemption provided in Paragraph IV of Section 2 of Article IV of the Articles of Incorporation, as amended.	30 days notice needed
Interstate Power Company	4.36% Series Cumulative Preferred	\$50 par	60,455	Any time after 12/1/1964 at \$52.30/share + accrued dividends to the date of redemption.	30 days notice needed
Interstate Power Company	4.68% Series Cumulative Preferred	\$50 par	55,926	Any time after 5/1/1975 at the initial public offering price \$51.62/share + accrued dividends to the date of redemption	30 days notice needed
Interstate Power Company	7.76% Series Cumulative Preferred	\$50 par	100,000	Any time after 5/1/1984 at the initial public offering price \$52.03/share + accrued dividends to the date of redemption.	30 days notice needed
Interstate Power Company	6.40% Series Cumulative Preferred	\$50 par	545,000	Not redeemable prior to 5/1/2003, if borrowed funds have an interest rate or dividend rate or an effective cost of money of 6.40% or less. Otherwise, redeemable any time before 5/1/2003 at \$53.20/share + accrued dividends to redemption date.	30 days notice needed

Company	Series	Covenants	Reference	Date of Agreement	Redemption price + premium
Interstate Power and Light Company					
Iowa Electric Light and Power Company	4.30% Series Cumulative Preferred Stock	Net earnings/charges test of 1.5X needed in order to issue additional preferred stock.; Preferred holder approval needed for merger.	Prospectus	Dated 5/10/1954	\$ 6,120,000.00
Iowa Electric Light and Power Company	4.80% Series Cumulative Preferred Stock	Net earnings/charges test of 1.5X needed in order to issue additional preferred stock.; Preferred holder approval needed for merger.	Prospectus	Dated 3/31/1950	\$ 7,356,901.50
Iowa Electric Light and Power Company	6.10% Series Cumulative Preferred Stock	Net earnings/charges test of 1.5X needed in order to issue additional preferred stock.; Preferred holder approval needed for merger.	Purchase Agreement - Annex 1; Articles of Incorporation; Board Resolution	Dated 8/14/1967	\$ 5,100,000.00 \$ 18,576,901.50
Interstate Power Company	4.36% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (10% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 11/30/1954	\$ 3,161,796.50
Interstate Power Company	4.68% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (10% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 5/19/1965	\$ 2,886,900.12
Interstate Power Company	7.76% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (10% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 5/20/1969	\$ 5,203,000.00
Interstate Power Company	6.40% Series Cumulative Preferred	Restriction on Sale of Assets, Merger, and Issuance of Unsecured Debt (20% test); Limitation on common dividends if ratio of equity/total capitalization drops below 25%; Preferred holder approval needed for merger.	Prospectus	Dated 5/18/1993	\$ 28,994,000.00 \$ 40,245,896.62

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 5 C**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 187 of 239  
RPU-2009-0002

Docket Number: RUP-04-1  
Date of Request: March 17, 2004  
Response Due: March 24, 2004  
Information Requested By: Ron Polle  
Date Responded: April 6, 2004  
Author: Enrique Bacalao  
Author's Title: Assistant Treasurer  
Author's Telephone No.: 608-458-3250  
Witness: (If other than Author)   
Reference: Direct Testimony Page 18 Line 19 through Page 19 Line 15, and Page 20 Line 4.

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**Data Request No. 5 C**

With respect to IPL's decision to redeem "old" preferred equity and issue "new" preferred equity, quantify the actual or expected annual savings to Interstate which made it "more financially prudent to harmonize the various provisions, streamline the administration of the preferred stock and modernize the provisions of the corporate charter." Provide all studies, memos, cost benefit analyses, minutes from Board of Directors meetings, management discussions, and rating agencies communications conducted to evaluate these savings.

**Response**

The benefits of financial flexibility are, by their very nature, contingent. The benefits that accrue from harmonizing the differing provisions of the seven series of "old" preferred stock, streamlining the administration of the preferred stock and modernizing the provisions of the corporate charter are primarily related to the incremental financial flexibility resulting from the harmonizing, streamlining and modernizing alluded to. Contingent benefits can be difficult to quantify in terms of their magnitude, timing, probability of occurrence and directness of attribution. Such difficulties do not, however, imply that the benefits are any less real. A potential cost avoided, one's access to a particular financial market impeded or an indirect benefit achieved are examples of real costs and benefits that are challenging to quantify. For one to avoid securing important contingent benefits on the basis that they are difficult to quantify would be an excellent example of imprudent financial management, on a par with avoiding insurance coverage for similar reasons.

Docket No. RPU-04-1  
OCA Data Request No. 5 C  
Page 2 of 2

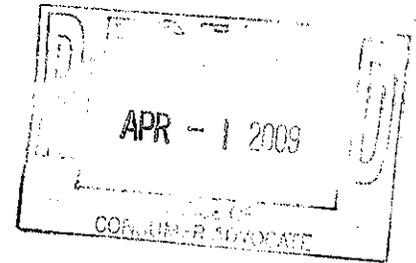
More specifically, IPL was faced with inherited financial constraints that might have been appropriate for IPC or IES as long as half a century ago, but were not appropriate to the significantly larger IPL in today's financial marketplace. For example, the old IPC covenants hobbled IPL's ability to raise unsecured debt, both short-term commercial paper as well as long-term senior debentures. This constraint was applied to IPC decades ago and is indefensible in today's financial markets, particularly with the generation and infrastructure investments IPL faces. It is not possible to accurately quantify the value of releasing IPL from that particular constraint, because the benefit depends on selecting one of various funding alternatives available to IPL, once IPL's secured borrowing capacity is reached. It is also not possible to accurately quantify the cost of financing opportunities missed while limited resources of time and people were diverted to managing a complex corporate charter and unharmonized financial provisions. Finally, it is not possible to accurately quantify the benefits achieved by harmonizing IPL's preferred stock such that consensus no longer needs to be obtained from different groups of preferred stockholders covered by different protective provisions and subject to conflicting incentives.

COPY

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**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 5**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 189 of 239  
RPU-2009-0002



Docket Number: RUP-04-1  
Date of Request: March 17, 2004  
Response Due: March 24, 2004  
Information Requested By: Ron Polle  
Date Responded: March 29, 2004  
Author: Enrique Bacalao  
Author's Title: Assistant Treasurer  
Author's Telephone No.: 608-458-3250  
Reference: Direct Testimony Page 18 Line 19 through Page 19 Line 15, and Page 20 Line 4.

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**Data Request No. 5**

- A. Provide copies of all documents, including but not limited to studies, memos, cost benefit analyses, minutes from Board of Directors meeting, management discussions, and ratings agencies communications, regarding the decision to issue the 8.375% preferred equity to replace preferred equity with dividend rates of 4.30%, 4.36%, 4.68%, 4.80%, 6.10%, 6.40%, and 7.76%.
- B. Identify how the corporate charter has been simplified and improved by the redemption of all the "old" preferred equity and by the issuance of the "new" preferred.
- C. With respect to IPL's decision to redeem "old" preferred equity and issue "new" preferred equity, quantify the actual or expected annual savings to Interstate which made it "more financially prudent to harmonize the various provisions, streamline the administration of the preferred stock and modernize the provisions of the corporate charter." Provide all studies, memos, cost benefit analyses, minutes from Board of Directors meetings, management discussions, and rating agencies communications conducted to evaluate these savings.
- D. Provide the increased cost to ratepayers, on an annual dollar basis, of issuing 8.375% preferred equity to replace each series of lower cost preferred equity identified in (A). Provide a narrative explanation of how the increased cost was derived.

**Preferred Stock - Series B 8.375% Dividend Rate**

Description	Par Value/Share	Number of Shares	Par Amount	Dividend Rate	Weighted Dividend Rate
4.80% Cumulative Pfd	\$ 50.00	120,000	\$ 6,000,000	4.800%	0.511%
4.30% Cumulative Pfd	\$ 50.00	146,406	\$ 7,320,300	4.300%	0.558%
6.10% Cumulative Pfd	\$ 50.00	100,000	\$ 5,000,000	6.100%	0.541%
4.36% Class A Pfd	\$ 50.00	60,455	\$ 3,022,750	4.360%	0.234%
4.68% Class A Pfd	\$ 50.00	55,926	\$ 2,796,300	4.680%	0.232%
7.76% Class A Pfd	\$ 50.00	545,000	\$ 27,250,000	7.760%	3.750%
6.40% Class A Pfd	\$ 50.00	100,000	\$ 5,000,000	6.400%	0.567%
			<u>\$ 56,389,350</u>		<u>6.393%</u>

New Preferred Stock					
8.375% Series B Cumulative Preferred Stock	\$ 25.00	6,000,000	\$ 150,000,000	8.375%	
7.10% Series C Cumulative Preferred Stock	\$ 25.00	1,600,000	\$ 40,000,000	7.100%	
			<u>\$ 190,000,000</u>		

<b>Difference in cost:</b>	
Par Amount	\$ 56,389,350
Increase in Dividend Rate	1.982%
<b>Dollar increase in annual dividend (if par amount of new shares were equal to par amount of old shares)</b>	<b>\$ 1,117,576.42</b>

Narrative:  
 This calculation shows the dollar increase in the annual dividend if only \$56,389,350 par amount of new Series B preferred shares were issued to replace the old preferred shares. A weighted average dividend rate for all series of the old preferred shares is calculated to be 6.393%, compared to the dividend rate of 8.375% on the new Series B. The Series B preferred shares has an annual dividend rate that is 1.982% higher, which amounts to an annual dollar dividend increase of \$1,117,576.42.

**Preferred Stock - Weighted Dividend Rate**

Description	Par Value/Share	Number of Shares	Par Amount	Dividend Rate	Weighted Dividend Rate
4.80% Cumulative Pfd	\$ 50.00	120,000	\$ 6,000,000	4.800%	0.511%
4.30% Cumulative Pfd	\$ 50.00	146,406	\$ 7,320,300	4.300%	0.558%
6.10% Cumulative Pfd	\$ 50.00	100,000	\$ 5,000,000	6.100%	0.541%
4.36% Class A Pfd	\$ 50.00	60,455	\$ 3,022,750	4.360%	0.234%
4.68% Class A Pfd	\$ 50.00	55,926	\$ 2,796,300	4.680%	0.232%
7.76% Class A Pfd	\$ 50.00	545,000	\$ 27,250,000	7.760%	3.750%
6.40% Class A Pfd	\$ 50.00	100,000	\$ 5,000,000	6.400%	0.567%
			<u>\$ 56,389,350</u>		<u>6.393%</u>

Old Preferred Stock - redeemed on 9/16/2002

New Preferred Stock					
8.375% Series B Cumulative Preferred Stock	\$ 25.00	6,000,000	\$ 150,000,000	8.375%	6.612%
7.10% Series C Cumulative Preferred Stock	\$ 25.00	1,600,000	\$ 40,000,000	7.100%	1.495%
			<u>\$ 190,000,000</u>		<u>8.107%</u>

<b>Difference in cost:</b>	
Par Amount	\$ 56,389,350
Increase in Weighted Dividend Rate	1.713%
<b>Dollar increase in annual dividend (if par amount of new shares were equal to par amount of old shares)</b>	<b>\$ 966,215.54</b>

**Narrative:**

This calculation shows the dollar increase in the annual dividend if only \$56,389,350 par amount of new preferred shares were issued to replace the old preferred shares. A weighted average dividend rate for all series of the old preferred shares is calculated to be 6.393%, compared to a weighted average dividend of 8.107% on the new. The new preferred shares have an annual dividend rate that is 1.713% higher, which amounts to an annual dollar dividend increase of \$966,215.54.

**Revised Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 14**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 192 of 239  
RPU-2009-0002

Docket Number: RPU-2009-0002  
Date of Request: March 31, 2009  
Response Due: April 7, 2009  
Information Requested By: Ben Stead  
Date Responded: June 9, 2009  
Author: Enrique Bacalao  
Author's Title: Assistant Treasurer  
Author's Telephone No.: (608) 458-3250  
Subject: Alliant Energy's Subsidiary Earnings and Dividends  
Reference: Alliant Energy Corporation 10-K for the year ended December 31, 2008, page 128.

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**Data Request No. 14**

- A. Please provide the earnings available for common stock for each year of the period 1998 through 2008, separately for the following subsidiaries of Alliant Energy:
1. Interstate Power and Light (and its predecessor companies)
  2. Wisconsin Power and Light,
  3. Alliant Energy Resources, and
  4. All Other Subsidiaries
- B. Please provide the common stock cash dividends paid to Alliant Energy for each year of the period 1998 through 2008, separately for the following subsidiaries of Alliant Energy:
1. Interstate Power and Light (and its predecessor companies)
  2. Wisconsin Power and Light,
  3. Alliant Energy Resources, and
  4. All Other Subsidiaries

**Revised Response**

Upon review of the original April 7, 2009, response to this data request, several omissions were discovered in the two original attachments. These original attachments are now replaced by the Revised Attachment A.

**A. Earnings Available for Common Stock - Income is positive and loss is negative:**

(amounts in millions)

Year	Interstate Power and Light Co. (a)	Wisconsin Power and Light Co.	Alliant Energy Resources, LLC	All Other Subsidiaries (b)
1998	\$ 77.3	\$ 32.3	\$ (8.8)	\$ -
1999	\$ 93.9	\$ 67.5	\$ 38.3	\$ (0.7)
2000	\$ 99.7	\$ 68.1	\$ 227.2	\$ (0.1)
2001	\$ 94.7	\$ 70.2	\$ 1.4	\$ 0.2
2002	\$ 88.0	\$ 77.6	\$ (60.6)	\$ 0.2
2003	\$ 87.1	\$ 111.6	\$ (1.9)	\$ (2.3)
2004	\$ 110.3	\$ 110.4	\$ (68.9)	\$ 1.1
2005	\$ 149.7	\$ 101.8	\$ (261.8)	\$ 0.2
2006	\$ 157.0	\$ 102.0	\$ 46.4	\$ (0.1)
2007	\$ 274.9	\$ 110.2	\$ 35.3	\$ -
2008	\$ 126.2	\$ 115.1	\$ 37.3	\$ -

**B. Common Stock Dividends:**

(amounts in millions)

Year	Interstate Power and Light Co. (a)	Wisconsin Power and Light Co.	Alliant Energy Resources, LLC	All Other Subsidiaries (b)
1998	\$ 27.6	\$ 58.3	\$ 2.0	\$ -
1999	\$ 120.6	\$ 58.4	\$ 8.2	\$ -
2000	\$ 80.3	\$ -	\$ -	\$ -
2001	\$ 80.3	\$ 60.5	\$ -	\$ -
2002	\$ 81.8	\$ 59.6	\$ -	\$ -
2003	\$ 89.1	\$ 70.6	\$ -	\$ -
2004	\$ 102.0	\$ 89.0	\$ -	\$ -
2005	\$ 109.9	\$ 89.8	\$ -	\$ -
2006	\$ 219.8	\$ 92.2	\$ -	\$ -
2007	\$ 609.9	\$ 191.1	\$ -	\$ -
2008	\$ 29.1	\$ 91.3	\$ -	\$ -

(a) Includes predecessor companies IES Utilities Inc. and Interstate Power Company.

(b) Includes Alliant Energy Corporate Services, Inc., Alliant Energy Nuclear LLC, Alliant Energy Transco LLC and WPLH Commodities Trading LLC.

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 15**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 194 of 239  
RPU-2009-0002

Docket Number: RPU-2009-0002  
Date of Request: March 31, 2009  
Response Due: April 7, 2009  
Information Requested By: Ben Stead  
Date Responded: April 7, 2009  
Author: Enrique Bacalao  
Author's Title: Assistant Treasurer  
Author's Telephone No.: (608) 458-3250  
Subject: Capital Contributions, Equity Infusions, and Capital Repayments for Alliant Energy Subsidiaries  
Reference: Alliant Energy Corporation 10-K for the year ended December 31, 2008, page 128.

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**Data Request No. 15**

- A. Please provide the dollar amount and date of all capital contributions and equity infusions from Alliant Energy for each year of the period 1998 through 2008, separately for the following subsidiaries of Alliant Energy:
1. Interstate Power and Light (and its predecessor companies)
  2. Wisconsin Power and Light,
  3. Alliant Energy Resources, and
  4. All Other Subsidiaries
- B. Provide the dollar amount and date or anticipated date of each and every capital contribution and equity infusion from Alliant Energy Corp., separately for each of the following subsidiaries during the period January 1, 2009 through September 30, 2009.
1. Wisconsin Power and Light,
  2. Alliant Energy Resources, and
  3. All Other Subsidiaries
- C. Please provide the dollar amount and date of all repayments of capital to Alliant Energy Company for each year of the period 1998 through 2008, separately for each of the following subsidiaries of Alliant Energy:
1. Interstate Power and Light (and its predecessor companies)
  2. Wisconsin Power and Light,
  3. Alliant Energy Resources, and

4. All Other Subsidiaries

**Response**

A. Please refer to Attachment A.

B. The planned contributions of equity from Alliant Energy Corporation to each of its subsidiaries during the period from January 1, 2009 through September 30, 2009 are as follows:

<b>Subsidiary</b>	<b>Amount</b>	<b>Date</b>
Wisconsin Power and Light Company	\$100,000,000	April 2009
Alliant Energy Resources LLC	- 0 -	N.A.
All other subsidiaries	- 0 -	N.A.

C. Please refer to Attachment B.

Docket RPU-2009-0002  
OCA Data Request No. 15  
Attachment A

Year	Type	IPL and its predecessor companies			AER	Others
		WPL	IESU / IPL	IPC		
1998	Merger shares	\$ -	\$ 1,013,266,254.88	\$ 375,105,084.38	\$ 199,285,024.75	\$ -
1999	Additional Equity Infusion	30,000,000.00	-	-	5,000,000.00	-
2000	Additional Equity Infusion	-	-	-	-	-
2001	Additional Equity Infusion	35,000,000.00	-	-	-	-
2002	Additional Equity Infusion	61,000,000.00	60,000,000.00	-	-	-
2003	Additional Equity Infusion	200,000,000.00	168,780,000.00	-	-	-
2004	Additional Equity Infusion	-	100,000,000.00	-	17,382,750.00	-
2005	Additional Equity Infusion	-	-	-	-	-
2006	Additional Equity Infusion	42,600,000.00	26,000,000.00	-	-	-
2007	Additional Equity Infusion	-	100,000,000.00	-	-	-
2008	Additional Equity Infusion	100,000,000.00	200,000,000.00	-	-	-
<b>Total (1998 - 2008)</b>		\$ 468,600,000.00	\$ 1,668,046,254.88	\$ 375,105,084.38	\$ 221,667,774.75	\$ -

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Docket RPU-2009-0002  
 OCA Data Request No. 15  
 Attachment B

REPAYMENTS OF CAPITAL TO ALLIANT ENERGY CORPORATION BY ITS SUBSIDIARIES

(1) Date	(2) Type Code (* )	(3) Transaction	(6) WP&L Proceeds	(7) IES Utilities/IPL Proceeds	(8) IPC Proceeds	(9) Alliant Energy Resources Proceeds	(10) SERVCO Proceeds
24-May-02	T	Transfer of Equity	(385,330.00)	0.00	0.00	0.00	0.00
	T	Transfer of Equity	0.00	(100,000,000.00)	0.00	0.00	0.00
	T	Transfer of Equity	(100,000,000.00)		0.00	0.00	0.00
20-Dec-07	T	Transfer of Equity	0.00	(400,000,000.00)	0.00	0.00	0.00
21-Dec-07	T	Transfer of Equity	0.00	(50,000,000.00)	0.00	0.00	0.00
28-Dec-07	T	Transfer of Equity	0.00	(50,000,000.00)	0.00	0.00	0.00
<b>Total Capital Repayments</b>			(100,385,330.00)	(600,000,000.00)	0.00	0.00	0.00

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**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 20**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
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RPU-2009-0002

Docket Number: RPU-2009-0002  
Date of Request: March 31, 2009  
Response Due: April 7, 2009  
Information Requested By: Ben Stead  
Date Responded: April 7, 2009  
Author: Christopher Hampsher  
Author's Title: Manager II Financial Planning & Analysis  
Author's Telephone No.: (319) 786-4851  
Subject: Historical month-end retained earnings  
Reference:

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**Data Request No. 20**

Please provide Interstate Power and Light's (and its predecessor companies') month-end retained earnings balances for the period January 1999 through December 2008.

**Response**

Please see Attachment A for monthly retained earnings balances for the years 1999 through 2008.

Attachment A

INTERSTATE POWER AND LIGHT COMPANY  
RESPONSE TO DATA REQUEST NO. 20

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Jan	310,910,790	322,857,699	341,129,158	352,782,215	363,708,762	359,376,665	360,465,856	406,114,289	342,937,984	4,813,578
Feb	315,441,107	327,716,707	345,566,918	355,019,572	365,628,803	365,166,073	366,115,701	306,766,778	347,188,045	10,027,313
Mar	321,219,223	332,441,930	348,633,121	360,137,461	374,205,567	359,793,096	371,880,292	316,186,367	351,402,786	15,843,270
Apr	302,992,271	334,832,776	349,287,170	358,510,802	353,221,767	333,990,296	345,900,687	292,162,471	328,433,797	20,138,388
May	304,341,031	316,304,966	330,569,333	340,836,508	351,537,145	333,350,056	349,496,961	299,685,827	333,686,515	20,181,661
Jun	311,095,145	321,931,147	339,853,454	355,000,537	357,349,097	342,895,286	364,297,821	313,617,852	346,534,123	32,528,754
Jul	312,695,480	322,557,586	339,173,720	356,935,271	355,472,242	338,723,701	365,782,171	313,300,409	352,603,548	58,957,306
Aug	327,441,216	343,683,409	357,345,529	372,144,238	376,705,941	355,332,014	392,770,099	331,975,604	382,104,455	76,277,651
Sep	340,453,744	353,480,349	370,221,614	379,174,373	373,548,210	375,775,217	416,359,837	350,262,966	395,635,816	91,864,266
Oct	321,982,709	335,243,689	350,807,885	361,771,247	357,139,173	354,997,507	395,355,887	331,632,209	375,282,873	95,236,613
Nov	324,240,922	340,554,818	356,138,095	365,794,326	359,737,944	362,788,326	400,285,454	344,830,700	382,540,145	98,679,057
Dec	334,501,702	353,886,410	368,202,467	374,137,993	372,108,102	380,713,867	420,533,697	357,635,639	20,998,683	116,730,572

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**(Filed under seal)**

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 104**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 202 of 239  
RPU-2009-0002

Docket Number: RPU-2009-0002  
Date of Request: May 28, 2009  
Response Due: June 4, 2009  
Information Requested By: Ron Polle  
Date Responded: June 4, 2009  
Author: Enrique Bacalao  
Author's Title: Assistant Treasurer  
Author's Telephone No.: (608) 458-3250  
Subject: Alliant Energy's Indenture Trustee Lawsuit  
Reference: Response to OCA Data Request No 3.

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**Data Request No. 104**

If the Court determines that an "Event of Default" has occurred and Alliant Energy's \$402.5 million Notes immediately become due and payable by Alliant Energy, identify:

- a. The source of funds to repay the Notes,
- b. The impact(s), in both dollar and qualitative terms, to Alliant Energy stockholders, and
- c. The impact(s), in both dollar and qualitative terms, to IPL ratepayers.

**Response**

- A. Alliant Energy Corporation ("AEC") currently has sufficient liquidity to fund the amount required to redeem in full its Exchangeable Senior Notes due 2030. If necessary, AEC could borrow up to the full amount required by issuing long-term debt instruments of an appropriate maturity.
- B. The impact to AEC shareholders and creditors of redeeming the Exchangeable Senior Notes due 2030 would not be material, since the net effect would be to replace one series of debt with another series of debt.
- C. As explained in response to (B) above, there would be no impacts relating to AEC, so there would be no opportunity for impact on IPL's customers even if they were not otherwise sheltered from unregulated activities.

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 105**

OCA Ex. \_\_\_\_ (SJP-1)  
Schedule F  
Page 203 of 239  
RPU-2009-0002

Docket Number: RPU-2009-0002  
Date of Request: June 2, 2009  
Response Due: June 16, 2009  
Information Requested By: Ben Stead  
Date Responded: June 16, 2009  
Author: Chris Hampsher  
Author's Title: Mgr II Fin. Planning & Analysis  
Author's Telephone No.: (319) 786-4851  
Subject: Interstate Power and Light Company's Preferred Equity  
Reference: Response to OCA Data Request No. 10.

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**Data Request No. 105**

- A. Please provide the total dollar amount of loss on reacquired preferred equity recorded on the books when the seven series of preferred equity was redeemed in September 2002, and identify the account(s) where this loss was recorded.
- B. Please provide the monthly balance of the referenced loss on reacquired preferred equity for each month of the period December 2007 through the most current available month. Identify the account(s) where this loss is currently recorded.

**Response**

- A. Please see Attachment A for information related to the seven series redemption that took place in September 2002.
- B. When the redemption of the preferred stock occurred in September 2002, the redemption premiums and the unamortized discount and premium balances were recorded to FERC Account 210 "Gain/Losses on Capital Stock." In accordance with 18 CFR guidelines for FERC Account 217, Reacquired Capital Stock:

When reacquired capital stock is retired or cancelled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 210, Gain on Resale or

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Data Request No. 105  
Page 2 of 2

Cancellation of Reacquired Stock, provided, however, the debits shall be charged to Account 439, Adjustments to Retained Earnings, to the extent that they exceed the balance in account 210.

The losses related to the September 2002 redemption exceeded the credit balance in account 210 related to previous gains on capital stock. Therefore, the losses related to the redemption of preferred stock that occurred in September 2002 were charged against the existing credit balance in account 210 and against retained earnings for the losses in excess of the credit balance. Attachment A includes a summary of the accounting that occurred for the redemption.

TY03 Elec Case

INTERSTATE POWER AND LIGHT COMPANY  
 RESPONSE TO DATA REQUEST # 212

		<u>Actual</u>	<u>Per OCA Response 5B</u>	<u>Difference</u>
Redemption Premiums were as follows	4.30%	120,000.00	120,000.00	-
	4.80%	36,601.50	36,601.50	-
	6.10%	100,000.00	100,000.00	-
	4.36%	139,046.50	120,910.00	18,136.50 *
	4.68%	90,600.12	90,544.00	56.12
	6.40%	1,744,000.00	1,744,000.00	-
	7.76%	203,000.00	203,000.00	-
Total Redemption Premium		2,433,248.12	2,415,055.50	18,192.62

\* Actual redemption premium was \$2.30 per share vs \$2.00 per share as stated in Response 5B

<u>Description</u>	<u>FERC Account</u>	<u>Debit</u>	<u>Credit</u>
Cash	131		59,516,637.46
Preferred Stock Redeemed	204	56,389,350.00	
Premium on Capital Stock	207	102,614.49	
Redemption Premium	210	2,433,248.12	
Reverse Discount on Capital Stock	210	1,412,619.36	
Reverse Premium on Capital Stock	210		102,614.49
Capital Stock Expenses	210	2,355.20	
Loss on Redemption Premium	210		281,383.70
Discount on Capital Stock	213		1,412,619.36
Capital Stock Expenses	214		2,355.20
Preferred Dividends Payable	238	694,039.34	
Retained Earnings	216	281,383.70	
Totals		61,315,610.21	61,315,610.21

Entry to record was as follows:

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 106**

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Schedule F  
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RPU-2009-0002

Docket Number: RPU-2009-0002  
Date of Request: June 2, 2009  
Response Due: June 16, 2009  
Information Requested By: Ben Stead  
Date Responded: June 16, 2009  
Author: Chris Hampsher  
Author's Title: Mgr. II. Fin. Planning & Analysis  
Author's Telephone No.: (319) 786-4851  
Subject: Interstate Power and Light Company's Preferred Equity  
Reference: Response to OCA Data Request No. 10.

---

**Data Request No. 106**

Please identify any and all dollar balances and provide a narrative explanation of each instance of preferred equity balances which were or are included in the common equity accounts for each month of the period December 2007 through the most current month available. Examples include, but are not limited to:

- a. Gain on 1979 preferred stock exchange
- b. Loss on 9.84% preferred stock redemption
- c. Loss on 10.64% preferred stock redemption
- d. Call premium and issue expenses on 6.40% preferred stock
- e. Loss on redemption of former IES preferred stock in 2002
- f. Loss on redemption of former IPC preferred stock in 2002.
- g. Unamortized preferred stock issue expense of the 8.375% and 7.10% series issued in December 2002 and September 2003, respectively.

As part of the response, please identify each common equity account by name and by account number.

(For your ease of understanding the nature of this question, it may help to review the following information from Docket RPU-04-1: IPL's responses to OCA Data Request Nos. 110, 212, and 316; Evidence Tab 4, page 15 of 25.)

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Data Request No. 106  
Page 2 of 2

## Response

In the common equity account 214 (Unamortized Preferred Stock Issuance), \$2,355 of the balance is related to the gain from the following transactions:

- a. Gain on 1979 preferred stock exchange
- b. Loss on 9.84% preferred stock redemption
- c. Loss on 10.64% preferred stock redemption
- d. Call premium and issue expenses on 6.40% preferred stock
- e. Loss on redemption of former IES preferred stock in 2002
- f. Loss on redemption of former IPC preferred stock in 2002.

The balance in this account remains the same for each month for the time period December 2007 through May 2009.

Please see Attachment A for all dollar balances of preferred equity that are included in the common equity account 213(Discount on Capital Stock) for December 2007 through May 2009 related to:

- g. Preferred Stock Discount on the 8.375% and 7.10% series issued in December 2002 and September 2003, respectively.

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Line No.	Month	(a) Principal (A/C 204)	(b) Premium on Preferred Stock (A/C 207.100)	(c) Preferred Stock Call Premiums	(d) IPL Unamortized Preferred Stock Issuance (A/C 214)	(e) IPL		(f) IPL		(g) Blank	(h) Total Thirteen Month Average
						Discount 8.375% (A/C 213)	Discount 7.100% (A/C 213)	Discount 7.100% (A/C 213)	Discount 7.100% (A/C 213)		
1	DEC 2007	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
2	JAN 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
3	FEB 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
4	MAR 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
5	APR 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
6	MAY 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
7	JUN 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
8	JUL 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
9	AUG 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
10	SEP 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
11	OCT 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
12	NOV 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
13	DEC 2008	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
14	JAN 2009	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
15	FEB 2009	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
16	MAR 2009	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419
17	APR 2009	190,000,000	-	-	(705,581)	(4,900,000)	(1,260,000)	(1,260,000)	(1,260,000)	Blank	183,134,419

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 118**

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Docket Number: RPU-2009-0002  
Date of Request: June 5, 2009  
Response Due: June 12, 2009  
Information Requested By: Jennifer Easler  
Date Responded: June 12, 2009  
Author: Enrique Bacalao  
Author's Title: Asst. Treasurer Mgr. Finance  
Author's Telephone No.: (608) 458-3250  
Subject: Interstate Power and Light Company's Capital Structure  
Reference: Evidence, Tabs 3, 13, 14, and 15.

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**Data Request No. 118**

Please provide IPL's monthly capital structure balances reported in the referenced Evidence for the period January 2009 through the most recently available month.

Please consider this an ongoing data request to be updated throughout the course of this proceeding.

**Response**

Please see Attachment A which includes the following Evidence Tabs updated through May 2009:

Tab 3  
Tab 13  
Tab 15

Note that there has been no update to Tab 14. The information has not changed from what was originally filed.

INTERSTATE POWER & LIGHT COMPANY  
IOWA ELECTRIC UTILITY  
THIRTEEN MONTH AVERAGE CAPITAL STRUCTURE  
TWELVE MONTHS ENDED MAY 31, 2009

Line No.	(a) Actual Thirteen Month Average Principal (1)	(b) Adjustments to Principal (2)	(c) Adjusted Thirteen Month Average Principal (1)	(d) Capitalization Ratios
1	\$ 874,980,805	\$ -	\$ 874,980,805	40.524%
2	183,134,419	-	183,134,419	8.482%
3	1,101,077,461	-	1,101,077,461	50.995%
4	\$ 2,159,192,685	\$ -	\$ 2,159,192,685	100.000%

Footnotes:  
(1) From Tab 4:  
(2) Refer to COC Adj Summary, Page 3, Line 3.

Worksheet	Page	Line	Column	Line
E-D1	5	15	(f)	15
E-P1	13	15	(h)	15
E-C1	14	15	(f)	15

INTERSTATE POWER & LIGHT COMPANY  
IOWA ELECTRIC UTILITY  
YEAR END CAPITAL STRUCTURE

MAY 31, 2009

Line No.	(a) Actual Period-End Principal (1)	(b) Adjustments to Principal	(c) Adjusted Period-End Principal (1)	(d) Capitalization Ratios
1	\$ 977,817,770	\$ -	\$ 977,817,770	42.671%
2	183,134,419	-	183,134,419	7.992%
3	1,130,576,241	-	1,130,576,241	49.337%
4	\$ 2,291,528,430	\$ -	\$ 2,291,528,430	100.000%

Footnotes:  
(1) From Tab 4:  
Long-term Debt  
Preferred Stock  
Common Equity

Workpaper	Page	Column	Line
E-D1	5	(f)	13
E-P1	13	(h)	13
E-C1	14	(f)	13

INTERSTATE POWER & LIGHT COMPANY

IOWA ELECTRIC UTILITY

SUMMARY OF ADJUSTMENTS TO THE COST OF CAPITAL

PERIOD ENDED MAY 31, 2009

(a) (b)

Line No.	Brief Description of Adjustment:	Blank	Total
1	Long-Term Debt	\$ -	\$ -
2	Preferred Stock	-	-
3	Common Equity*	-	-
4	Total	\$ -	\$ -

\* Per the Transmission Sale, IPL agreed to no more than 50% Common Equity in its Capital Structure.

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INTERSTATE POWER & LIGHT COMPANY

THIRTEEN MONTH AVERAGE LONG-TERM DEBT PRINCIPAL

REQUIRED UNDER 250--7.4(6)e.3

YEAR ENDED MAY 31, 2009

Line No.	Month	(a) TRD000000107 Chillicothe IES Poll Cont - Var (221,550)	(b) TRD000000054 Collateral IES Series-A 6% (221,650)	(c) TRD000000055 Collateral IES Series-B 7% (221,660)	(d) TRD000000056 Cedar Rapids IES Coll Trust - 5.5% (221,670)	(e) TRD000000111 Ottumwa IES Poll Cont - Var (221,671)	(f) TRD000000057 Marshalltown IES Coll Trust - 5.5% (221,680)	(g) TRD000000052 IES 7.25% Series (221,685)
1	MAY 2008	0	0	0	0	0	0	0
2	JUN 2008	0	0	0	0	0	0	0
3	JUL 2008	0	0	0	0	0	0	0
4	AUG 2008	0	0	0	0	0	0	0
5	SEP 2008	0	0	0	0	0	0	0
6	OCT 2008	0	0	0	0	0	0	0
7	NOV 2008	0	0	0	0	0	0	0
8	DEC 2008	0	0	0	0	0	0	0
9	JAN 2009	0	0	0	0	0	0	0
10	FEB 2009	0	0	0	0	0	0	0
11	MAR 2009	0	0	0	0	0	0	0
12	APR 2009	0	0	0	0	0	0	0
13	MAY 2009	0	0	0	0	0	0	0
14	Total	0	0	0	0	0	0	0
15	13 Mth Avg	0	0	0	0	0	0	0
16	Rounded	0	0	0	0	0	0	0

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INTERSTATE POWER & LIGHT COMPANY  
THIRTEEN MONTH AVERAGE LONG-TERM DEBT PRINCIPAL

REQUIRED UNDER 250-7.4(6)e.3  
YEAR ENDED MAY 31, 2009

Line No.	Month	(a) TRD000000058 Boone Coll Trust - 5.5% (221.690)	(b) TRD000000073 IES 6-7/8% Series (221.700)	(c) TRD000000079 IES Sr Debentures 6-5/8% (221.705)	(d) TRD0.0083/1605 IES 1998 Poll Cont Variable (221.710)	(e) TRD0000000782 IES Series B 6.75% (221.720)	(f) Blank	(g) IES Total Principal
1	MAY 2008	0	0	135,000,000	10,000,000	200,000,000		345,000,000
2	JUN 2008	0	0	135,000,000	10,000,000	200,000,000		345,000,000
3	JUL 2008	0	0	135,000,000	10,000,000	200,000,000		345,000,000
4	AUG 2008	0	0	135,000,000	10,000,000	200,000,000		345,000,000
5	SEP 2008	0	0	135,000,000	10,000,000	200,000,000		345,000,000
6	OCT 2008	0	0	135,000,000	10,000,000	200,000,000		345,000,000
7	NOV 2008	0	0	135,000,000	0	200,000,000		335,000,000
8	DEC 2008	0	0	135,000,000	0	200,000,000		335,000,000
9	JAN 2009	0	0	135,000,000	0	200,000,000		335,000,000
10	FEB 2009	0	0	135,000,000	0	200,000,000		335,000,000
11	MAR 2009	0	0	135,000,000	0	200,000,000		335,000,000
12	APR 2009	0	0	135,000,000	0	200,000,000		335,000,000
13	MAY 2009	0	0	135,000,000	0	200,000,000		335,000,000
14	Total	0	0	1,755,000,000	60,000,000	2,600,000,000	0	4,415,000,000
15	13 Mth Avg	0	0	135,000,000	4,615,385	200,000,000	0	339,615,385
16	Rounded	0	0	135,000,000	4,615,385	200,000,000	0	339,615,385

INTERSTATE POWER & LIGHT COMPANY  
THIRTEEN MONTH AVERAGE LONG-TERM DEBT PRINCIPAL

REQUIRED UNDER 250-7.4(6)e.3

YEAR ENDED MAY 31, 2009

Line No.	Month	(a) TRD.046/4571 IPC Series 8% (221.055)	(b) TRD000000049 Lansing A IPC Poll Cont - 6.3% (221.073)	(c) TRD000000048 Clinton A IPC Poll Cont - 6.35% (221.075)	(d) TRD000000050 Clinton B IPC Poll Cont - 6.25% (221.076)	(e) TRD0.0073/1604 Lansing IPC Poll Cont-4.3%/3.6% (221.077)	(f) TRD0.0072/1603 Dubuque IPC Poll Cont-4.3%/2.5% (221.078)	(g) TRD0.0075/1804 Neal IPC Poll Cont - 4.2% (221.079)
1	MAY 2008	0	0	0	0	2,300,000	0	0
2	JUN 2008	0	0	0	0	2,300,000	0	0
3	JUL 2008	0	0	0	0	2,300,000	0	0
4	AUG 2008	0	0	0	0	2,300,000	0	0
5	SEP 2008	0	0	0	0	2,300,000	0	0
6	OCT 2008	0	0	0	0	2,300,000	0	0
7	NOV 2008	0	0	0	0	0	0	0
8	DEC 2008	0	0	0	0	0	0	0
9	JAN 2009	0	0	0	0	0	0	0
10	FEB 2009	0	0	0	0	0	0	0
11	MAR 2009	0	0	0	0	0	0	0
12	APR 2009	0	0	0	0	0	0	0
13	MAY 2009	0	0	0	0	0	0	0
14	Total	0	0	0	0	11,500,000	0	0
15	13 Mth Avg	0	0	0	0	884,615	0	0
16	Rounded	0	0	0	0	884,615	0	0

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INTERSTATE POWER & LIGHT COMPANY  
THIRTEEN MONTH AVERAGE LONG-TERM DEBT PRINCIPAL  
REQUIRED UNDER 250--7.4(6)e.3  
YEAR ENDED MAY 31, 2009

Line No.	Month	(a)	(b)	(c)	(d)	(e)	(f)	(g)
		TRD074/1912/4324 IPC Sherburn Poll Cont - 4.05% (221.080)	Total Principal	TRD000001444 IPC Sr Debentures 5.875%	TRD000001571 IPC Sr Debentures 6.450%	TRD000002236 IPC Sr Debentures 6.300%	TRD000002555 IPC Sr Debentures 6.300%	TRD..3458/4328 IPC IFA PCRRB variable
1	MAY 2008	3,250,000	5,550,000	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
2	JUN 2008	3,250,000	5,550,000	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
3	JUL 2008	3,250,000	5,550,000	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
4	AUG 2008	3,250,000	5,550,000	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
5	SEP 2008	3,250,000	5,550,000	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
6	OCT 2008	3,250,000	3,250,000	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
7	NOV 2008	0	0	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
8	DEC 2008	0	0	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
9	JAN 2009	0	0	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
10	FEB 2009	0	0	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
11	MAR 2009	0	0	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
12	APR 2009	0	0	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
13	MAY 2009	0	0	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
14	Total	19,500,000	31,000,000	1,300,000,000	1,300,000,000	1,300,000,000	325,000,000	499,005,000
15	13 Mth Avg	1,500,000	2,384,615	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000
16	Rounded	1,500,000	2,384,615	100,000,000	100,000,000	100,000,000	25,000,000	38,385,000

Tab 3

INTERSTATE POWER & LIGHT COMPANY  
THIRTEEN MONTH AVERAGE LONG-TERM DEBT PRINCIPAL  
REQUIRED UNDER 250--7.4(6)e.3  
YEAR ENDED MAY 31, 2009

Line No.	Month	(a) TRD000003593 IPL Sr Debentures 5.50%	(b) TRD000006125 IPL Sr Debentures 7.25%	(c) Blank	(d) Blank	(e) IPL AECS 4.550%	(f) Blank	(g) IPL	Total Principal	IPL FERC 221 B/S	Var
1	MAY 2008	50,000,000	0			40,800,000		804,735,000	804,735,000	40,800,000	AECS
2	JUN 2008	50,000,000	0			40,800,000		804,735,000	804,735,000	40,800,000	AECS
3	JUL 2008	50,000,000	0			40,800,000		804,735,000	804,735,000	40,800,000	AECS
4	AUG 2008	50,000,000	0			40,800,000		804,735,000	804,735,000	40,800,000	AECS
5	SEP 2008	50,000,000	0			40,800,000		804,735,000	804,735,000	40,800,000	AECS
6	OCT 2008	50,000,000	250,000,000			0		1,011,635,000	1,011,635,000	0	AECS
7	NOV 2008	50,000,000	250,000,000			0		998,385,000	998,385,000	0	AECS
8	DEC 2008	50,000,000	250,000,000			0		998,385,000	998,385,000	0	AECS
9	JAN 2009	50,000,000	250,000,000			0		998,385,000	998,385,000	0	AECS
10	FEB 2009	50,000,000	250,000,000			0		998,385,000	998,385,000	0	AECS
11	MAR 2009	50,000,000	250,000,000			0		998,385,000	998,385,000	0	AECS
12	APR 2009	50,000,000	250,000,000			0		998,385,000	998,385,000	0	AECS
13	MAY 2009	50,000,000	250,000,000			0		998,385,000	998,385,000	0	AECS
14	Total	650,000,000	2,000,000,000	0	0	204,000,000	0	12,024,005,000	12,024,005,000		
15	13 Mth Avg	50,000,000	153,846,154	0	0	15,692,308	0	924,923,462	924,923,462		
16	Rounded	50,000,000	153,846,154	0	0	15,692,308	0	924,923,462	924,923,462		(1)

(1) - This information ties to Tab 4, Worksheet E-D1, Page 5, Col. (a), Line 15.

INTERSTATE POWER & LIGHT COMPANY  
THIRTEEN MONTH AVERAGE PREFERRED STOCK  
REQUIRED UNDER 250--7.4(6)e.3  
YEAR ENDED MAY 31, 2009

Line No.	Month	(a)		(b)		(c)		IPL FERC 204 B/S	Var
		IPL 7.10%	IPL 8.38%	IPL (204,001)	IPL Total	IPL Total	Balance		
1	MAY 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
2	JUN 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
3	JUL 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
4	AUG 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
5	SEP 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
6	OCT 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
7	NOV 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
8	DEC 2008	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
9	JAN 2009	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
10	FEB 2009	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
11	MAR 2009	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
12	APR 2009	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
13	MAY 2009	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000	190,000,000	0	
14	Total	520,000,000	1,950,000,000	1,950,000,000	2,470,000,000	2,470,000,000			
15	13 Mth Avg	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000			
16	Rounded	40,000,000	150,000,000	150,000,000	190,000,000	190,000,000			
					(1)	(1)			

(1) This information ties to Tab 4, Workpaper E-P1, Page 13, Col. (a), Line 15.

**INTERSTATE POWER & LIGHT COMPANY**  
**DETAIL FOR THIRTEEN MONTH AVERAGE PREFERRED STOCK PREMIUM**  
**YEAR ENDED MAY 31, 2009**

Line No.	Month	(a)		(b)		(c)		(d)		(e)		(f)	
		Blank	Preferred Surplus										
1	MAY 2008		0		0		0		0		0		0
2	JUN 2008		0		0		0		0		0		0
3	JUL 2008		0		0		0		0		0		0
4	AUG 2008		0		0		0		0		0		0
5	SEP 2008		0		0		0		0		0		0
6	OCT 2008		0		0		0		0		0		0
7	NOV 2008		0		0		0		0		0		0
8	DEC 2008		0		0		0		0		0		0
9	JAN 2009		0		0		0		0		0		0
10	FEB 2009		0		0		0		0		0		0
11	MAR 2009		0		0		0		0		0		0
12	APR 2009		0		0		0		0		0		0
13	MAY 2009		0		0		0		0		0		0
14	Total		0		0		0		0		0		0
15	13 Mth Avg		0		0		0		0		0		0
16	Rounded		0		0		0		0		0		0

(1) This information ties to Tab 4, Page 13, Col. (b), Line 15.

INTERSTATE POWER & LIGHT COMPANY  
DETAIL FOR THIRTEEN MONTH AVERAGE PREFERRED STOCK CALL PREMIUMS

YEAR ENDED MAY 31, 2009

Line No.	Month	(a)		(b)		(c)		(d)		(e)		(f)	
		Blank	Unamortized Call Premiums										
1	MAY 2008		0		0		0		0		0		0
2	JUN 2008		0		0		0		0		0		0
3	JUL 2008		0		0		0		0		0		0
4	AUG 2008		0		0		0		0		0		0
5	SEP 2008		0		0		0		0		0		0
6	OCT 2008		0		0		0		0		0		0
7	NOV 2008		0		0		0		0		0		0
8	DEC 2008		0		0		0		0		0		0
9	JAN 2009		0		0		0		0		0		0
10	FEB 2009		0		0		0		0		0		0
11	MAR 2009		0		0		0		0		0		0
12	APR 2009		0		0		0		0		0		0
13	MAY 2009		0		0		0		0		0		0
14	Total	0	0	0	0	0	0	0	0	0	0	0	0
15	13 Mth Avg	0	0	0	0	0	0	0	0	0	0	0	0
16	Rounded	0	0	0	0	0	0	0	0	0	0	0	0

(1) - This information ties to Tab 4, Page 13, Col. (c), Line 15.

**INTERSTATE POWER & LIGHT COMPANY**  
**DETAIL FOR THIRTEEN MONTH AVERAGE PREFERRED STOCK DISCOUNT**  
**YEAR ENDED MAY 31, 2009**

Line No.	Month	(a)		(b)		(c)		IPL FERC 213 B/S	Var
		IPL Preferred Discount	8.375% Preferred Discount	IPL Preferred Discount	7.100% Preferred Discount	IPL Total Unamortized Discount	IPL Total		
1	MAY 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
2	JUN 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
3	JUL 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
4	AUG 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
5	SEP 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
6	OCT 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
7	NOV 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
8	DEC 2008	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
9	JAN 2009	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
10	FEB 2009	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
11	MAR 2009	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
12	APR 2009	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
13	MAY 2009	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000	0	0
14	<b>Total</b>	<b>63,700,000</b>	<b>16,380,000</b>	<b>16,380,000</b>	<b>16,380,000</b>	<b>80,080,000</b>	<b>80,080,000</b>		
15	13 Mth Avg	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000		
16	Rounded	4,900,000	1,260,000	1,260,000	1,260,000	6,160,000	6,160,000		
		(1)		(2)					

(1) - This information ties to Tab 4, Page 13, Col. (e), Line 15.  
(2) - This information ties to Tab 4, Page 13, Col. (f), Line 15.



**INTERSTATE POWER & LIGHT COMPANY**  
**THIRTEEN MONTH AVERAGE TOTAL COMMON EQUITY BY COMPONENT**  
**REQUIRED UNDER 250--7.4(6)e.3**  
**YEAR ENDED MAY 31, 2009**

Line No.	Month	(a) Other Paid-in Capital (208-211)	(b) Retained Earnings (215-216)	(c) Less Undistributed Subsidiary Earnings (216.1) F41810	(d) Blank	(e) Blank	(f) Total Common Equity
1	MAY 2008	714,829,068	20,181,661	0			1,027,410,532
2	JUN 2008	714,829,068	32,528,754	0			1,039,757,625
3	JUL 2008	714,829,068	58,957,306	0			1,066,186,177
4	AUG 2008	764,829,068	76,277,651	0			1,133,506,521
5	SEP 2008	814,829,068	91,864,266	0			1,199,093,137
6	OCT 2008	739,832,559	95,236,613	0			1,127,468,975
7	NOV 2008	739,832,559	98,679,057	0			1,130,911,419
8	DEC 2008	739,832,559	116,730,572	0			1,148,962,934
9	JAN 2009	713,872,634	126,809,406	0			1,133,081,843
10	FEB 2009	713,872,634	120,339,752	0			1,126,612,189
11	MAR 2009	713,872,634	124,303,804	0			1,130,576,241
12	APR 2009	687,911,583	162,754,899	0			1,143,066,285
13	MAY 2009	737,911,583	163,477,371	0			1,193,788,757
14	Total	9,511,084,084	1,288,141,112	0	0	0	14,600,422,635
15	13 Mth Avg	731,621,853	99,087,778	0	0	0	1,123,109,433
16	Rounded	731,621,853	99,087,778	0	0	0	1,123,109,433
		(1)	(2)				(3)

(1) This information ties to Tab 4, Workpaper E-C1, Page 14, Col. (d), Line 15.  
(2) This information ties to Tab 4, Workpaper E-C1, Page 14, Col. (e), Line 15.  
(3) This information ties to Tab 4, Workpaper E-C1, Page 14, Col. (f), Line 15.

**INTERSTATE POWER & LIGHT COMPANY  
INTEREST RATES AND DIVIDEND RATES  
REQUIRED UNDER 250--7.4(6)e.13**

**YEAR ENDED DECEMBER 31, 2009**

Collateral Trust Bonds:		
First Mortgage Bonds:		
Pollution Control Obligations:		
IES - Due 2023	TRD000001605	3.60%
IPC - Due 2008	TRD000001604	3.60%
IPC - Due 2009	TRD000000050	6.25%
IPC - Due 2010 - Variable rate	TRD000001912/4324	4.05%
IFA PCFRRB - Due 2014 - Variable rate	TRD000003458/4328	3.29%
Senior Debentures:		
IES - Due 2009	TRD000000779	6.625%
IES - Due 2011	TRD000000782	6.75%
IPL - Due 2018	TRD000001444	5.875%
IPL - Due 2033	TRD000001571	6.45%
IPL - Due 2034	TRD000002236 & 2555	6.30%
IPL - Due 2025	TRD000003593	5.50%
IPL - Due 2018	TRD000006125	7.25%
Senior Notes:		
A ECS - Due 2008	TRD000001543-1559	4.55%
Cumulative Preferred Stock:		
IPL - 7.10%		7.10%
IPL - 8.38%		8.38%





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INTERSTATE POWER & LIGHT COMPANY  
DETAIL FOR BOOK AMORTIZED DEBT PREMIUM

REQUIRED UNDER 250--7.4(6)e.13

TWELVE MONTHS ENDED MAY 31, 2009

	IPL Sr Debentures 6.30%	Adjustment	IPL Total Debt Premium Amortization	GL Acct 690201	Difference
	TRD000002555				
JUN 2008	(653)	0	(653)	(653)	0.00
JUL 2008	(653)	0	(653)	(653)	0.00
AUG 2008	(653)	0	(653)	(653)	(0.01)
SEP 2008	(653)	0	(653)	(653)	0.01
OCT 2008	(653)	0	(653)	(653)	(0.01)
NOV 2008	(653)	0	(653)	(653)	0.00
DEC 2008	(653)	0	(653)	(653)	0.00
JAN 2009	(653)	0	(653)	(653)	0.00
FEB 2009	(653)	0	(653)	(653)	0.00
MAR 2009	(653)	0	(653)	(653)	0.00
APR 2009	(653)	0	(653)	(653)	0.00
MAY 2009	(653)	0	(653) (1)	(653)	0.00
Total	(7,835)	0	(7,835)	(7,835)	(0.01)
Rounded	(7,835)	0	(7,835) (2)		

(7,835)  
Ledger Inquiry 6/10/09

YE Annualized = (7,835)

(1) This information ties to Tab 4, Workpaper E-D-3, Page 6, Col. (g), Line 21 / 12 mos.

(2) This information ties to Tab 4, Interim Workpaper E-3, Page 16, Col. (h), Line 22.



**INTERSTATE POWER & LIGHT COMPANY**  
**DETAIL FOR THIRTEEN MONTH AVERAGE UNAMORTIZED PREFERRED STOCK CALL PREMIUMS**  
**REQUIRED UNDER 250-7.4(6)e.13**  
**PERIOD ENDED MAY 31, 2009**

Line No.	(a)	(b)		(c)		(d)		(e)		(f)	
		IES Total		IPC Total		IPL Total		Blank		Blank	
		Unamortized	Call Premiums								
1	MAY 2008	0		0		0		0		0	
2	JUN 2008	0		0		0		0		0	
3	JUL 2008	0		0		0		0		0	
4	AUG 2008	0		0		0		0		0	
5	SEP 2008	0		0		0		0		0	
6	OCT 2008	0		0		0		0		0	
7	NOV 2008	0		0		0		0		0	
8	DEC 2008	0		0		0		0		0	
9	JAN 2009	0		0		0		0		0	
10	FEB 2009	0		0		0		0		0	
11	MAR 2009	0		0		0		0		0	
12	APR 2009	0		0		0		0		0	
13	MAY 2009	0		0		0		0		0	
14	Total	0		0		0		0		0	
15	13 Mth Avg	0		0		0		0		0	
16	Rounded	0		0		0		0		0	

**INTERSTATE POWER & LIGHT COMPANY**  
**DETAIL FOR AMORTIZED PREFERRED STOCK CALL PREMIUM**  
**REQUIRED UNDER 250--7.4(6)e.13**  
**PERIOD ENDED MAY 31, 2009**

Line No.	(a)	(b)		(c)		(d)		(e)		(f)	
		IES Total		Blank		IPC Total		Blank		IPL Total	
		Call Premium	Amortization								
1	MAY 2008	0				0				0	
2	JUN 2008	0				0				0	
3	JUL 2008	0				0				0	
4	AUG 2008	0				0				0	
5	SEP 2008	0				0				0	
6	OCT 2008	0				0				0	
7	NOV 2008	0				0				0	
8	DEC 2008	0				0				0	
9	JAN 2009	0				0				0	
10	FEB 2009	0				0				0	
11	MAR 2009	0				0				0	
12	APR 2009	0				0				0	
13	MAY 2009	0		0		0		0		0	
14	Rounded	0		0		0		0		0	

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**INTERSTATE POWER & LIGHT COMPANY**  
**DETAIL FOR THIRTEEN MONTH AVERAGE PREFERRED STOCK DISCOUNT**  
**REQUIRED UNDER 250--7.4(6)e.13**  
**PERIOD ENDED MAY 31, 2009**

	IPL 8.375% Discount	IPL 7.100% Discount	Blank	IPL Total Unamortized Discount
MAY 2008	4,900,000	1,260,000		6,160,000
JUN 2008	4,900,000	1,260,000		6,160,000
JUL 2008	4,900,000	1,260,000		6,160,000
AUG 2008	4,900,000	1,260,000		6,160,000
SEP 2008	4,900,000	1,260,000		6,160,000
OCT 2008	4,900,000	1,260,000		6,160,000
NOV 2008	4,900,000	1,260,000		6,160,000
DEC 2008	4,900,000	1,260,000		6,160,000
JAN 2009	4,900,000	1,260,000		6,160,000
FEB 2009	4,900,000	1,260,000		6,160,000
MAR 2009	4,900,000	1,260,000		6,160,000
APR 2009	4,900,000	1,260,000		6,160,000
MAY 2009	4,900,000	1,260,000		6,160,000
<b>Total</b>	<b>63,700,000</b>	<b>16,380,000</b>	<b>0</b>	<b>80,080,000</b>
13 Mth Avg	4,900,000	1,260,000	0	6,160,000
Rounded	4,900,000	1,260,000	0	6,160,000
	(1)	(2)		

(1) - This information ties to Tab 4, Workpaper E-P1, Page 13, Col. (e).  
(2) - This information ties to Tab 4, Workpaper E-P1, Page 13, Col. (f).

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**INTERSTATE POWER & LIGHT COMPANY**  
**DETAIL FOR BOOK AMORTIZED PREFERRED STOCK DISCOUNT**  
**REQUIRED UNDER 250--7.4(6)e.13**  
**YEAR ENDED DECEMBER 31, 2009**

	(a)	(b)	(c)	(d)	IPL Total Discount Amortization
	Blank	Blank	Blank	Blank	
JAN 2009					0
FEB 2009					0
MAR 2009					0
APR 2009					0
MAY 2009					0
JUN 2009					0
JUL 2009					0
AUG 2009					0
SEP 2009					0
OCT 2009					0
NOV 2009					0
DEC 2009					0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Rounded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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INTERSTATE POWER & LIGHT COMPANY

SCHEDULE OF CAPITAL SURPLUS

REQUIRED UNDER 199--26.5(5)e.15

PERIOD ENDED MAY 31, 2009

	Account 207						IPL Account 210 Gain/loss on Reacq	IPL Account 208-211 Miscellaneous
	IPL Total Premium on Common Stock	IES Preferred and Preference	IPC Preferred and Preference	IES Common	IPC Common	IPC Common		
MAY 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	714,829,068
JUN 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	714,829,068
JUL 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	714,829,068
AUG 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	764,829,068
SEP 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	814,829,068
OCT 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	739,832,559
NOV 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	739,832,559
DEC 2008	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	739,832,559
JAN 2009	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	713,872,634
FEB 2009	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	713,872,634
MAR 2009	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	713,872,634
APR 2009	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	687,911,583
MAY 2009	258,972,833	0	0	154,799,119	104,173,714	104,173,714	0.00	737,911,583
Total	3,366,646,828.87	0.00	0.00	2,012,388,563.37	1,354,258,275.50	1,354,258,275.50	0.00	9,511,084,084.55
13 Mth Avg	258,972,832.99	0.00	0.00	154,799,119.49	104,173,713.50	104,173,713.50	0.00	731,621,852.66
Rounded	258,972,833.00	0.00	0.00	154,799,119.00	104,173,714.00	104,173,714.00	0.00	731,621,853.00

**Response of  
Interstate Power and Light Company  
to  
OFFICE OF CONSUMER ADVOCATE  
Data Request No. 119**

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Docket Number: RPU-2009-0002  
Date of Request: June 5, 2009  
Response Due: June 12, 2009  
Information Requested By: Jennifer Easler  
Date Responded: June 12, 2009  
Author: Enrique Bacalao  
Author's Title: Asst. Treasurer Mgr. Finance  
Author's Telephone No.: (608) 458-3250  
Subject: Alliant Energy's Capital Structure  
Reference: Evidence, Tabs 3, 13, 14, and 15.

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**Data Request No. 119**

Please provide Alliant Energy's stand-alone monthly capital structure balances reported in the referenced Evidence for the period January 2009 through the most recently available month.

Please consider this an ongoing data request to be updated throughout the course of this proceeding.

**Response**

Please see Attachment A which includes the following Evidence Tabs for Alliant Energy updated through April 2009:

Tab 3  
Tab 13  
Tab 14  
Tab 15

Tab 3

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ALLIANT ENERGY CORPORATION (STAND ALONE)  
 COST OF MONEY - PERIOD END  
 PERIOD ENDED APRIL 30, 2009

Line No.	Year End Principal	Adjustments	Adjusted Principal Before Pro Forms	Pro Forma Adjustments to Cost of Money	Adjusted Principal	Capitalization Ratios
1	39,005,629		39,005,629		39,005,629	1.36%
2	-		-		-	0.00%
3	2,827,858,611		2,827,858,611		2,827,858,611	98.64%
4	2,866,864,240	-	2,866,864,240	-	2,866,864,240	100.00%

Long-term Debt (excluding current maturities)

	Common Equity
2009 January	2,801,345,695
February	2,801,581,243
March	2,853,992,343
April	2,827,858,611
May	
June	
July	
August	
September	
October	
November	
December	

Common equity includes other comprehensive income.

Assumptions:

INTERSTATE POWER AND LIGHT COMPANY  
DEBT INFORMATION FOR ALLIANT ENERGY CORPORATION

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INTEREST RATE FOR EXCHANGEABLE SENIOR NOTES

Stated rate	2.50%
Effective yield rate	26.80%

AMORTIZATION OF DEBT DISCOUNT

2009 January	29,813
February	30,478
March	31,159
April	31,855
May	
June	
July	
August	
September	
October	
November	
December	

BALANCE OF UNAMORTIZED DEBT DISCOUNT

2009 January	363,587,903
February	363,557,425
March	363,526,266
April	363,494,411
May	
June	
July	
August	
September	
October	
November	
December	

INTERSTATE POWER AND LIGHT COMPANY  
DEBT INFORMATION FOR ALLIANT ENERGY CORPORATION

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AMORTIZATION OF DEBT EXPENSE

2009 January	2,968
February	2,968
March	2,968
April	2,968
May	
June	
July	
August	
September	
October	
November	
December	

BALANCE OF UNAMORTIZED DEBT EXPENSE

2009 January	749,402
February	746,434
March	743,467
April	740,499
May	
June	
July	
August	
September	
October	
November	
December	

INTERSTATE POWER AND LIGHT COMPANY

COMMON STOCK EXPENSE INFORMATION FOR ALLIANT ENERGY CORPORATION

Alliant Energy Corporation did not have any common stock expense charged to retained earnings during the four months ended April 30, 2009.

For the four months ended April 30, 2009, Alliant Energy Corporation issued 204,066 shares under its various equity incentive plans and (15,489) shares were transferred from employees to Alliant Energy Corporation primarily to satisfy tax withholding requirements in connection with the vesting of certain restricted stock under the Equity Incentive Plans. Alliant Energy Corporation did not incur any additional stock issuance costs associated with the shares issued under its various plans.

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INTERSTATE POWER AND LIGHT COMPANY  
 CAPITAL SURPLUS INFORMATION FOR ALLIANT ENERGY CORPORATION

Alliant Energy Corporation common stock has a par value of \$0.01 per share.

Alliant Energy Corporation has no preferred stock.

ALLIANT ENERGY CORPORATION CAPITAL SURPLUS BALANCE - COMMON STOCK	
2009 January	(1,500,856,577)
February	(1,504,552,397)
March	(1,504,549,456)
April	(1,504,574,323)
May	
June	
July	
August	
September	
October	
November	
December	

a	b	c	d	e	f	g
Common Stock	APIC	Unamortized stock compensator costs	Shares in deferred compensation trust	Retained Earnings	Comprehensive (Income) / Loss	Common Equity
201,001	207,001	219,500	219,001	(1,314,100,038)	219,300 & .700	(2,801,345,695)
(1,104,836)	(1,500,856,577)	5,881,723	7,508,761	(1,314,100,038)	1,325,272	(2,801,345,695)
(1,106,357)	(1,504,552,397)	8,041,580	7,614,119	(1,313,227,800)	1,649,612	(2,801,581,243)
(1,106,350)	(1,504,549,456)	7,556,781	7,630,710	(1,365,041,389)	1,517,362	(2,853,992,343)
(1,106,370)	(1,504,574,323)	7,137,597	7,635,956	(1,338,393,837)	1,442,365	(2,827,858,611)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

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