

March 10, 2009

IOWA UTILITIES BOARD

The purpose of this notice is to share information on the electric rate increase that Interstate Power and Light Company (IPL), an Alliant Energy company, will file with the Iowa Utilities Board (IUB) on March 17, 2009. This request is necessary to recover costs related to the devastating 2007 ice storms and 2008 floods that impacted our Iowa electric service area; investments made over the past five years to further our commitment to environmental stewardship and enhance the reliability of our electric system; and general operational costs necessary to provide customers with safe and reliable power. This is the company's first Iowa electric base rate case since 2004.

**Our company wants to share some specifics on what this rate request will cover:**

**Electric system rebuild** - The flood and ice storms impacted many of our customers' homes and businesses and caused more than \$260 million in damages to our electric system. We remain committed to rebuilding our system to help Iowa recover and move forward.

**Reliability enhancements** - We have invested approximately \$600 million in our electric system since 2004 to continue providing safe and reliable electric service. Reliable power is essential to economic growth for Iowa and is the cornerstone of our quality of life.

**Environmental stewardship** - Our company expects to invest approximately \$50 million in environmental projects in 2009. These projects are helping to preserve our natural resources for future generations of Iowans.

IPL is also investing more than \$400 million dollars in new wind energy development in Iowa over the next two years. By 2010, our company expects to complete construction of the Whispering Willow Wind Farm, located in Franklin County, Iowa. Our company expects the wind farm to produce enough energy to power more than 50,000 Iowa homes. We expect these investments in renewable energy to be included in a future electric rate case once the wind projects are operational.

As part of our filing, we are proposing to mitigate the impact of the rate increase with proceeds from transactions over the past several years that were reserved for the benefit of customers. If these proposals are approved, this would reduce the increase awarded in final rates.

We recognize the impact a change in rates has upon our customers. Our company offers a number of programs and energy efficiency incentives to help you manage your energy bill. For more ways to save energy and potentially reduce your electric bill, call our Efficiency Solutions hotline at 1-800-723-7635, or visit our Web site [alliantenergy.com](http://alliantenergy.com).

Our company is committed to providing you with safe, reliable and environmentally responsible electric service at a reasonable cost. We value our energy partnership with each of our customers. If you have questions, concerns or comments please call 1-800-ALLIANT, e-mail [iowarates@alliantenergy.com](mailto:iowarates@alliantenergy.com) or visit our Web site [alliantenergy.com/iowarates](http://alliantenergy.com/iowarates).

Sincerely,

Tom L. Aller  
President - Interstate Power and Light Company