



News release

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Rate freeze a win for Alliant Energy customers in Wisconsin

Company, customer groups reach agreement to maintain 2017 base rates through 2020

MADISON, Wis. – May 24, 2018 – Wisconsin customers of Alliant Energy will see no increase to base electric and natural gas rates through 2020 under a proposal filed today with the Public Service Commission of Wisconsin (PSCW). Customer rates will drop for the remainder of 2018 due to bill credits following a separate PSCW decision issued today.

“The rate freeze is a win for customers,” said John Larsen, president of Alliant Energy Corporation. “We’ve worked hard to hold the line on costs through 2020. It’s important to us to deliver cleaner power to families and businesses while keeping rates down.”

The company reached agreement on the proposal with significant input and collaboration from the Citizens Utility Board (CUB) and Wisconsin Industrial Energy Group (WIEG). If approved by the PSCW, the plan would be in effect 2019-2020. A decision is expected later in 2018.

No rate increase proposed for 2019-2020

The proposal reflects Alliant Energy’s efforts to lower operational and fuel costs, along with expected tax savings from the 2017 Tax Cuts and Jobs Act. Included are investments for making electricity from cleaner and renewable sources.

Alliant Energy’s retail electric rates are among the lowest in Wisconsin.

Immediate bill credits through end of 2018

Under a separate decision today, the PSCW specified its formula for calculating customer bill credits as a result of tax reform. Alliant Energy is refunding a total of \$36 million for electric customers and \$4 million for natural gas customers in 2018.

Residential customers will see these bill credits:

- One-time fixed amount credits during the June bill cycle
 - \$22.92 for electric customers
 - \$6.99 for natural gas customers
- Monthly credits calculated based on usage August through December
 - \$4.11 for a typical electric customer using 700 kWh/month
 - \$1.15 for a typical natural gas customer using 700 therms/year

Business customers will see bill credits as well. Amounts are approximate and subject to final calculation.

Summary: key financial elements of electric and natural gas rate settlement proposal

The revenue requirement included in this proposal resulted from collaboration with CUB and WIEG, after a thorough financial review by PSCW staff. Because of this collaborative process, CUB and WIEG will not contest the stipulated revenue requirements.

The proposal contains the following provisions:

- Retail electric revenue requirements increased by \$61 million in 2019 and \$133 million in 2020.
 - The \$61 million increase in 2019 is offset by \$23 million in fuel savings and \$38 million in income tax savings.
 - The \$132 million increase in 2020 is offset by \$20 million in fuel savings and \$113 million in income tax savings.
- Retail natural gas revenue requirements increased by \$10 million in 2019 and \$14 million in 2020. These cost increases are offset by income tax savings.
- The income tax savings include utilization of excess deferred income taxes made possible by tax reform.
- Authorized return on equity of 10.0 percent.
- Continuation of an earnings sharing mechanism.
- Common equity component of regulatory capital structure of 52.57 percent in 2019 and 52.53 percent in 2020.
- Combined retail electric and gas rate base of \$3.9 billion in 2019 and \$4.3 billion in 2020.
- Continued escrow treatment of transmission costs.
- Allowance for Funds Used During Construction (AFUDC) treatment for 100 percent of all new projects approved through 2020, including new renewable energy projects.

The proposal is available on the PSCW's electronic filing system. Search on Docket 6680-UR-2017.

Alliant Energy Forward-Looking Statements

This press release includes forward-looking statements. These forward-looking statements can be identified as such because the statements include words such "will," "would," "expected," or other words of similar import. Similarly, statements that describe expected outcomes in the rate case settlement proposal filed with the PSCW, including the final terms and effects of the proposed settlement, are forward-looking. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those currently anticipated. Actual results could be affected by the following factors, among others:

- Whether the PSCW approves the settlement proposal, the timing of any such approval and any conditions or modifications imposed by the PSCW in connection with any such approval;
- Whether intervenors who are not parties to the settlement proposal oppose the proposal;
- Other state regulatory or governmental actions, and future regulatory proceedings, including regulatory decisions regarding WPL's proposed settlement;
- WPL's ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of operating costs, capital expenditures, the earning of reasonable rates of return and the payment of expected levels of dividends;
- Economic conditions in WPL's service territory;
- The impact of fuel and fuel-related costs; and
- Significant changes in the condition of WPL, its service territory or customers, the industry or other changes, that could cause WPL or other parties to seek changes in base rates during the base rate freeze.

For more information about potential factors that could affect Alliant Energy's and WPL's businesses and financial results, please review "Risk Factors" in the companies' Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the Securities and Exchange Commission and in the companies' other filings with the SEC. These factors should be considered when evaluating the forward-looking statements, and undue reliance should not be placed on such statements. The forward-looking statements included herein are made as of the date hereof and, except as required by law, Alliant Energy and WPL undertake no obligation to publicly update such statements to reflect subsequent events or circumstances.

Alliant Energy Corporation's Wisconsin utility subsidiary, Wisconsin Power and Light Company (WPL), utilizes the trade name of Alliant Energy. The Wisconsin utility is based in Madison, Wis., and provides electric service to 470,000 retail customers and natural gas service to 190,000 retail customers across central and southern Wisconsin. The employees of Alliant Energy focus on delivering the energy solutions and exceptional service their customers and communities expect – safely, efficiently and responsibly. Alliant Energy Corporation is traded on the New York Stock Exchange under the symbol LNT and is a component of the S&P 500. For more information, visit alliantenergy.com

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