Nebraska Public Power District

GENERAL OFFICE
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LQA8300179

July 29, 1983

Director, Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555

ATTN: Document Control Desk

Subject: Licensee Guarantee - Deferred Premiums
Cooper Nuclear Station
NRC Docket No. 50-298, DPR-46

Gentlemen:

In accordance with the requirements of 10 CFR Part 140.21, relative to deferred insurance premiums, the Nebraska Public Power District submits the following information which, we believe, demonstrates our ability to obtain funds in the amount of $10 million for payment of such premiums within the specified three month period.

Iowa Power, under the terms of a power purchase contract, has acknowledged its responsibility to assume 50% of the retrospective premium requirements in an amount not to exceed $5 million in one year. Iowa Power has chosen to utilize the type of guarantee defined in 10CFR140.21(e). Therefore, as enclosures to this letter, we are submitting the following documents in support of 50% of the required $10 million premium.

1. Iowa Power - 1982 Annual Report to the Securities and Exchange Commission - Form 10-K
2. Iowa Power - Uniform Forecast Form for Utility Analysts

The Nebraska Public Power District has renewed a Credit Agreement, which is included as an enclosure, with the American National Bank and Trust Company of Chicago which indicates that said bank will lend the District funds, not to exceed $5 million as specifically required to pay public liability claims arising from nuclear incidents. This Credit Agreement is valid through July 31, 1984 at which time the District will submit the appropriate documentation to verify the guarantee requirements for the following year.

We believe that the enclosed information is sufficient to demonstrate our ability to generate the necessary funds required by the deferred

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premium; however, should you require additional information, please do not hesitate to contact me.

Sincereiy,

Jay M. Pilant

Jay M. Pilant
Technical Staff Manager
Nuclear Power Group

/cmk

Enclosures

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1982. Commission file number 1-3567

IOWA POWER AND LIGHT COMPANY
(Exact name of registrant as specified in its charter)

IOWA	42-0334050
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
666 Grand Ave., P.O. Box 657, Des Moines, Iowa	50303
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 515-281-2900

Securities registered pursuant to Section 12 (b) of the Act: NONE

Securities registered pursuant to Section 12 (g) of the Act:

Cumulative Preferred Stock, $100 par value
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

The aggregate market value of voting stock held by non-affiliates of the registrant was $0 as of March 15, 1983, when 7,586,456 shares of common stock, $10 par value, were outstanding.

IOWA POWER AND LIGHT COMPANY

Annual Report on Form 10-K
1982
Cross Reference Sheet

IOWA POWER AND LIGHT COMPANY

PART I

Item 1-Business

THE COMPANY

Iowa Power and Light Company (IPL) is the principal operating subsidiary of Iowa Resources Inc., an Iowa corporation which became the owner of all of IPL's outstanding common stock on November 1, 1979, pursuant to a merger and corporate restructuring plan approved by the shareowners of IPL. IPL is a public utility engaged in the generation, purchase, transmission, distribution and sale at retail of electric energy and the purchase, distribution and sale at retail of natural gas in central and southwestern Iowa. IPL's service area covers over 5,600 square miles and includes 130 communities. A detailed description of IPL's business is set forth below. IPL is operated in three divisions, including Iowa Generation which has responsibility for electric power supply and generation; Iowa Power which has responsibility for electric transmission and distribution; and Iowa Gas which has responsibility for gas distribution and supply.

CONSTRUCTION PROGRAM

IPL's construction program for 1983 involves the following estimated construction expenditures and the allowance for funds used during construction (AFUDC):

	Construction Expenditures	AFUDC	Total
	(In Millions)		
Iowa Generation............	$19	$14	$33
Iowa Power.................	14	-	14
Iowa Gas...................	8	-	8
	$41	$14	$55

IPL's plant additions for the five years ended December 31, 1982, amounted to $392 million, and retirements during such period amounted to $31 million, representing a net increase of 60% in IPL's investment in utility plant during this period.

IPL estimates that funds for its 1983 construction program will be met from the following sources:

	1983 (In millions)
Depreciation and Amortization..............................	$ 32
First Mortgage Bond Maturity and Sinking Fund Requirements..	(9)
Deferred Income Taxes, net.................................	10
Contributions from Parent Company..........................	11
Amortization of Nuclear Fuel Advance and Capital Improvements..	5
Funds Obtained From Working Capital Changes................	(17)
Short-term Debt..	18
Retained Earnings and Other................................	5
	$ 55

Shown below is information with respect to the Louisa Generating Station being constructed near Muscatine, Iowa. IPL's ownership share is 30.7%.

Designed Net MW Capability Unit Total	IPL's Portion	Fuel	Estimated Date of Commercial Operation	Estimated Cost of Construction Per kw(1)	IPL's Share of Estimated Construction Cost (Millions)(1) Total	Expended through 1982	Budgeted for 1983
650	200	Coal	1983	$947	$188.9	$160.9	$28.0

(1) Includes an Allowance for Funds Used During Construction.

IPL's estimated capital expenditures during the period 1983 through 1987 include expenditures of $148 million for its construction program, expenditures to redeem through the various sinking funds or pay at maturity $79 million of outstanding preferred stock and debt securities and $25 million of other capital requirements. About 88% of the funds for IPL's anticipated capital requirements through 1987 are expected to be provided from its internally generated sources and about 12% of such funds are expected to be provided from contributions to its capital by Iowa Resources Inc. and the sale of additional IPL securities. The types of additional securities to be sold in the future and the times of such sales have not yet been determined. It is anticipated that short-term borrowings will be utilized as interim financing from time to time for IPL's construction program. IPL's Articles of Incorporation and indentures under which its First Mortgage Bonds and Debentures are issued contain certain earnings and capitalization tests and other conditions that must be satisfied prior to the issuance of additional preferred stock or certain types of debt securities. At December 31, 1982, about $103 million of preferred stock, $169 million of First Mortgage Bonds and $294 million of unsecured short-term debt could have been issued (in that order) in compliance with the most restrictive of such tests and conditions.

GENERAL

IPL's service territory includes some of the most fertile and prosperous farm land in the United States. Agricultural products include corn, soybeans and other grains, livestock and dairy products. Des Moines is the capital of Iowa and the largest city in the state. It is an insurance center, one of the largest printing and publishing centers in the middle west and the major retail and jobbing point in the state. Some of the more important products produced in the Des Moines area are building materials, steel products, farm machinery, tires, livestock feeds, meats and food products. Council Bluffs, which is located across the Missouri River from Omaha, Nebraska, is the second largest city served by IPL.

Reference is made to Part IV, "Statement of Income for the three years ended December 31, 1982" and Note 10 of "Notes to Financial Statements" for information regarding operating revenues, operating income before income taxes and identifiable assets for the electric and gas segments of IPL's business during the years 1982, 1981 and 1980.

Approximately 63% of IPL's 1982 operating revenue was derived from electric and gas service furnished in the Des Moines metropolitan area.

RATES

For information concerning (i) IPL's pending request to the Iowa State Commerce Commission (ISCC) for increased electric and gas rates, (ii) revenues being collected subject to refund pursuant to such pending requests, and (iii) IPL's Energy Cost Adjustment Clause (ECA) and Purchased Gas Adjustment Clause (PGA), reference is made to Note 2 of Notes to Financial Statements.

ELECTRIC OPERATIONS

IPL's electric generation is supplied by plants which utilize fuel as set forth below:

Plant	Unit	Year Placed Into Service	Fuel	Capacity (MW)
Base Load:				
Cooper Nuclear Station.........	1	1974	Nuclear	380(1)
Council Bluffs Power Station...	3	1978	Coal	327(2)
Neal Generating Station........	3	1975	Coal	118(3)
Ottumwa Generating Station.....	1	1981	Coal	101(4)
				926

Plant	Unit	Year Placed Into Service	Fuel	Capacity (MW)
Intermediate Load:				
Council Bluffs Power Station...	1	1954	Coal	46
Council Bluffs Power Station...	2	1958	Coal	75
Des Moines Power Station.......	6	1954	Coal	69
Des Moines Power Station.......	7	1964	Coal	119
				309
Peak Load:				
River Hills Power Station......	1-8	1966-67	Gas/Oil	127
Sycamore Power Station.........	1-2	1974	Gas/Oil	148
				275
Total....................				1,510

(1) Cooper Nuclear Station is owned by Nebraska Public Power District (NPPD) and the amount shown is IPL's entitlement (50%) of Cooper's accredited 760 MW capacity.
(2) IPL's portion (46.7%) of this jointly-owned 700 MW facility.
(3) IPL's portion (23%) of this jointly-owned 515 MW facility.
(4) IPL's portion (15%) of this jointly-owned 675 MW facility.

The annual hourly peak load occurs during the summer period, principally as a result of air conditioning. IPL's highest hourly peak load in 1982 was 1,097 megawatts, although in 1981 IPL's peak load was 1,165 megawatts. In 1982, IPL's system requirements, net of sales to other utilities, were supplied by purchases from Cooper Nuclear Station (52%), IPL's generation (44%) and purchases from other sources (4%). For 1983, IPL estimates it will obtain approximately 48% of its electric requirements from Cooper Nuclear Station and the balance from its own generation and other purchases. Cooper Nuclear Station is unavailable periodically for refueling and maintenance during which times IPL is required to increase its use of fossil fuels and may be required to purchase energy. IPL has sufficient power capacity available from its own generation and the Mid-Continent Area Power Pool to provide for anticipated requirements of its customers.

Cooper Nuclear Station. Reference is made to Note 4 of Notes to Financial Statements for a discussion of IPL's long-term power purchase contract with NPPD for one-half of the output of Cooper Nuclear Station.

Neal Station. Under a joint ownership agreement with Iowa Public Service Company, Iowa Southern Utilities Company and Iowa-Illinois Gas and Electric Company ("Iowa-Illinois"), IPL owns 23%, or 118 MW of the 515 MW coal-fueled Unit 3 at Neal Station near Sioux City, Iowa.

Council Bluffs Power Station. Under a joint ownership agreement with Iowa-Illinois, Cedar Falls Municipal Electric Utility, Central Iowa Power Cooperative, Corn Belt Power Cooperative, and Atlantic Board of Water Works and Electric Light and Power Plant Trustees, IPL owns 46.7% or 327 MW of the 700 MW Unit 3 at the Council Bluffs Power Station.

Ottumwa Unit 1. Under a joint ownership agreement with Iowa Public Service Company, Iowa Southern Utilities Company, Iowa Electric Light and Power Company and Iowa-Illinois, IPL owns 15%, or 101 MW of the Ottumwa Generating Station Unit 1.

Louisa Unit 1. IPL, Iowa-Illinois, Interstate Power Company, Eastern Iowa Light and Power Cooperative, Iowa Public Service Company and the cities of Harlan, Waverly, and Tipton, Iowa are constructing Louisa Unit 1, a coal-fueled generating unit near Muscatine along the Mississippi River in southeastern Iowa. The unit will have a capability of about 650 MW, will be operated by Iowa-Illinois and is intended to be in service in late 1983. IPL's share of the unit is currently 30.7%, or approximately 200 MW, with an estimated cost of about $189 million.

Effect of Reduced Growth of Electric Demand. Due to a reduction in actual and forecasted growth of electric demand, IPL has offered to sell to other utilities up to 100 MW of its 200 MW ownership in Louisa Unit 1. In addition, IPL has offered to sell, in varying amounts through 1987, up to 250 MW per year of participation capacity from its share of Louisa Unit 1, Ottumwa Unit 1 and Council Bluffs Power Station Unit 3. Participation capacity is the sale of generation capability for a specified period.

In response to lower than anticipated load growth, IPL has taken various steps to cancel or postpone construction of future generating stations and has retired two generating units (94 MW) originally constructed in 1938 and 1950 at the Des Moines Power Station. IPL cancelled the coal supply contract for the Des Moines Power Station in June, 1982. Termination charges were deferred and, effective November 1, 1982, IPL began recovering these costs through its ECA.

IPL has estimated its liability in connection with its 1981 withdrawal from participation in the proposed Guthrie County Generating Plant at $2.8 million. IPL has reflected this liability in the 1982 financial statements and is amortizing the charge to expense over a five year period beginning in 1982 in accordance with the rate-making treatment management believes will be afforded these costs.

MAPP. IPL is interconnected with certain Iowa and neighboring utilities and since 1972 has been one of 43 utilities involved in an electric power pooling agreement known as Mid-Continent Area Power Pool (MAPP). The purpose of MAPP is to coordinate the planning, construction and operation of generation and transmission facilities, including the purchase and sale of power and energy among members.

Fuel. IPL expects that the fuel used to produce its net kilowatt-hour requirements for 1983 will be approximately 48% nuclear, 51% coal and 1% gas and oil, assuming that Cooper Nuclear Station operates at approximately a 71% capacity factor for such year; Cooper Nuclear Station operated at about a 79% capacity factor during 1982, when fuel used to produce IPL's net kilowatt-hour requirements was 52% nuclear, 48% coal and a minimal amount of gas and oil.

Coal IPL's average delivered costs of coal burned for the indicated periods were as follows:

	Year Ended December 31				
	1982	1981	1980	1979	1978
Cost per million btu......	$1.26	$1.12	$1.15	$1.02	$.92
Cost per ton.............	$21.61	$19.45	$20.29	$18.11	$17.32

The Burlington Northern railroad, which transports Amax coal in unit trains from Gillette, Wyoming to IPL's Council Bluffs Power Station, has received approval of new rate tariffs from the Interstate Commerce Commission which will increase the coal transportation cost to IPL and the other joint owners of Council Bluffs Unit 3 by approximately 30%. In addition, a retroactive effective date of November 1, 1981, has been approved which resulted in a retroactive charge of $8.2 million being claimed. Payment of such claim (with interest to be determined) will be scheduled by the Interstate Commerce Commission shortly (See Item 3 - Legal Proceedings). Any increase in the cost of energy resulting from increased coal transportation rates is presently allowed to be recovered through IPL's Energy Cost Adjustment Clause in its tariff.

IPL generally maintains a supply of coal at Council Bluffs Power Station sufficient for approximately 90 days of normal generation and has been advised by the operators of units in which it has a joint ownership interest that they maintain supplies of coal sufficient for approximately 90 days of normal operation. IPL estimates that coal supplies for its units and those in which it has a joint interest will be adequate for its needs in the forseeable future.

Gas. Natural gas is available for peak load electric generation at IPL's River Hills and Sycamore Power Stations.

Oil. IPL's use of middle distillate oil has been minimal; however, if gas is unavailable for electric generation, oil is essential for peaking and standby purposes. IPL has available storage capacity for 9.1 million gallons of oil. IPL's oil in storage at its peaking unit locations is sufficient to satisfy its needs.

Nuclear. Approximately 25% of the fuel used by the Cooper Nuclear Station must be replaced annually during the life of the station. Reference is made to Note 3 of Notes to Financial Statements for a discussion of such contract.

GAS OPERATIONS AND SUPPLY

The following table indicates IPL's sources of gas:

Supplier	Maximum day deliveries; heating season 1982-1983 February 3, 1983 (Mcf)	Average cost per Mcf for 1982(1)	Gas available to supply the daily needs of IPL's firm customers during 1982-83 heating season (Mcf)
Northern Natural Gas Company (Northern)......	166,135	$3.68	188,409 (2)
Natural Gas Pipeline Company of America (Natural)....	25,236	$3.18	38,308 (3)
Propane-air peak shaving facilities owned by IPL...	-	-	35,000 (4)
Liquid Natural Gas (LNG) plant owned by IPL..............	-	-	25,000 (5)
Total.................	191,371		286,717

(1) Includes off-peak purchases for sales to interruptible customers and gas used by IPL to generate electricity.
(2) Pursuant to contracts which expire at various times in 1983 through 1986.
(3) Pursuant to contracts which expire at various times in 1986 through 1992.
(4) Propane feedstocks stored by IPL are adequate to enable the facilities to produce 75,638 Mcf.
(5) Can convert 2,000 Mcf of gas per day into liquid and can store up to 400,000 Mcf.

IPL's current long-term peak day gas supply, storage and peak shaving facilities permit continued expansion of its gas business and IPL's tariffs currently allow the extension of mains to serve new gas customers under certain conditions. Northern may curtail its deliveries of gas to IPL pursuant to a plan filed with the Federal Energy Regulatory Commission (FERC); however, due to improved gas supply, no such curtailment occurred during the 1982-83 heating season. Interruptible service is available to existing and new gas customers in areas supplied from both Natural and Northern. The ability of IPL to maintain service to its residential and small volume gas customers has not been affected by the pipelines' curtailment plans.

The annual report on Form 10-K for 1981 filed by Northern under the Securities Exchange Act of 1934 estimates that, as of the end of 1981, Northern had total gas reserves dedicated to its system equivalent to approximately 8.3 times its projected 1982 system requirements. The annual report on Form 10-K filed by Natural for its fiscal year ended September 30, 1982, under such Act estimates that Natural had total gas reserves available at January 1, 1982, equivalent to approximately 8.2 times its system unit sales for the twelve months ended December 31, 1981.

ENVIRONMENTAL MATTERS

IPL is subject to regulation with regard to air and water quality and other environmental matters by various federal, state and local authorities, and is also subject to zoning and other regulations by local authorities. Governmental regulations establishing environmental protection standards have not, in some cases, been fully established and IPL is therefore not able to estimate the additional cost of meeting such future standards. IPL's total capital expenditures since 1971 for pollution control facilities (defined as facilities qualifying under Internal Revenue Service regulations for tax exempt pollution control revenue bond financing) to comply with environmental regulations have been about $64.7 million.

Air. The Iowa Department of Environmental Quality (DEQ) has established and is enforcing a comprehensive set of air pollution control regulations. The regulations are designed, among other things, to meet the requirements of the Federal Clean Air Act and have, with some modifications, received Federal Environmental Protection Agency (EPA) approval.

The DEQ is continuing to develop and pursue EPA approval of revised sulfur dioxide emission standards for fossil fuel burning plants placed into service prior to January, 1976, to replace the current EPA approved standard of 5 pounds of such emissions per million Btu input. IPL's Des Moines Power Station, Council Bluffs Power Station Units 1 and 2, and the jointly-owned Neal Unit 3 are subject to this standard and will be operated in compliance with the EPA approved standard in the absence of EPA approval of the revised standards. The revised standards for these facilities are expected to be less restrictive than the currently approved standard. IPL anticipates that the facilities can be operated in compliance with the present EPA approved sulfur dioxide emission standard as long as substantial amounts of low sulfur Wyoming coal continue to be available.

The EPA limits sulfur dioxide emission from electric generation facilities which commenced construction between August 17, 1971 and September 18, 1978, to 1.2 pounds per million btu input. The use of low sulfur Wyoming coal achieves compliance with this limit at Council Bluffs Unit 3 and Ottumwa Generating Station, and the use of such low sulfur coal by the operator of the Louisa Generating Station will enable that plant to be operated in compliance with such limits.

In accordance with IPL's particulate emission control plan, which was accepted by DEQ in June 1971 and completed as scheduled on December 1, 1974, electrostatic precipitators have been installed and are in operation on certain boilers at the Council Bluffs and Des Moines Power Stations. The equipment is designed to be 99.3% efficient in removing particulates from stack emissions, and that level of efficiency has been achieved and certified by DEQ. Similar equipment is in operation at the jointly-owned Neal Station Unit 3, Council Bluffs Unit 3 and Ottumwa Generating Station. Louisa Generating Station will have similar equipment.

Water. The DEQ has established and is enforcing a comprehensive set of water pollution control regulations. The regulations are designed to meet the provisions of the Federal Water Pollution Control Act of 1972 ("1972 Act"), requiring permits for discharges into navigable streams, and have been approved by the EPA. All currently necessary DEQ permits for thermal and chemical discharges from the Des Moines, Council Bluffs, Neal Unit 3 and Ottumwa Generating Stations have been obtained. A permit to discharge cooling water into the Missouri River from Cooper Nuclear Station's cooling system was issued by the Nebraska Department of Environmental Control pursuant to the 1972 Act.

REGULATION

The ISCC regulates IPL's electric and gas rates, electric service territory, accounting and services. In addition, Iowa law requires that a certificate of convenience and necessity be obtained from the ISCC prior to construction of a proposed electric generating station with a total capacity of 100 or more megawatts. Need for the station must be established and approval of the proposed site obtained before a certificate can be issued. IPL is subject to the jurisdiction of the FERC under the Federal Power Act with respect to the issuance of securities and other matters.

In Iowa, franchises which cover the use of streets and alleys for public utility facilities in incorporated communities are granted for a maximum of 25 years only by a majority vote of local qualified residents. The ISCC has jurisdiction and grants franchises for the use of public highway right-of-way for electric and gas facilities, and the condemnation of rights-of-way for transmission purposes, outside incorporated communities.

In the City of Des Moines, IPL holds franchises for its gas and electric services which expire in 1985. Outside of Des Moines, IPL's electric and gas operations are conducted under franchises (expiring in various years from 1983 to 2007), permits and licenses obtained from state and local authorities.

EMPLOYEES

The total number of employees of IPL at December 31, 1982, was 1,499. Local 499, International Brotherhood of Electrical Workers, represents 737 physical work force employees under a contract expiring August 1, 1984 and 251 clerical work force employees under a contract expiring February 1, 1985.

Item 2-Properties

Reference is made to Item 1, "Business - Electric Operations" for a description of the facilities utilized by IPL to generate electricity and "Business - Gas Operations and Supply" for a description of IPL's liquefied natural gas and propane-air peak shaving facilities.

Item 3-Legal Proceedings

IPL and its subsidiary have no material legal proceedings (other than ordinary routine damage claims and similar items incidental to its business which are not deemed material and for which both an injuries and damage reserve and insurance have been provided) except for the following.

Burlington Northern Litigation. This litigation arises out of a dispute between IPL and the Burlington Northern as to the proper freight rate to be applied to the transportation of coal from a Wyoming mine to the Council Bluffs Generating Station, Units 1, 2 and 3.

On July 14, 1982, the Burlington Northern filed a request with the Interstate Commerce Commission ("ICC") to increase the coal transportation rate from Wyoming to Council Bluffs. Under the terms of the tariff, the existing base rate would be increased to $10.95 per ton effective November 1, 1981. IPL objected to the BN tariff and, on July 16, 1982, the ICC rejected the tariff. On July 26, 1982, the BN filed an administrative appeal of the July 16 ICC order. On December 9, 1982, the ICC reversed the July 16 order and declared that the BN's tariff should have been accepted for filing effective November 1, 1981, as the BN had requested. IPL has appealed the December 9, 1982 decision to the United States Court of Appeals for the 8th Circuit. As a result of the December 9, 1982 decision, the BN, on January 20, 1983, filed a tariff with the ICC requesting a rate of $10.95 per ton, to be applied retroactively to November 1, 1981. This tariff became effective on February 10, 1983, with a retroactive liability of $8,196,698 plus an interest claim by the BN of $637,963 through February 9, 1983. IPL's portion of this liability of approximately 50% was recorded on the books in February and is expected to be recovered through the energy cost adjustment clause beginning March 1. IPL has appealed this ICC ruling but the BN has billed and IPL has paid the higher freight rate since it became effective. The ICC has not yet established a payment date for the retroactive liability. IPL has asserted in an action in U.S. District Court for the Southern District of Iowa that an enforceable agreement exists between IPL and the BN regarding the proper rate for the transportation of coal. This matter is currently scheduled for trial in May, 1983.

Hedstrom-Powell, Inc. vs. Bill Leech and Iowa Power and Light Company, District Court for Polk County, Iowa, Law No. CL45-26122, filed March 2, 1982. The plaintiffs in this lawsuit allege that Mr. Leech, in his capacity as a representative of IPL, made slanderous remarks regarding plaintiffs' product and request actual damages of $12,115,800 and punitive damages of $5,000,000. IPL's Articles of Incorporation require that it indemnify Mr. Leech if it is determined that his individual liability arose from his good faith conduct and in a manner he reasonably believed to be in or not opposed to the best interests of IPL. IPL believes that the allegations of the plaintiff are totally without merit and will vigorously defend the case.

Iowa Power and Light Company vs. Gary K. Quinn, Law No. CL49-28689 pending in Polk County District Court is a lawsuit by IPL against Mr. Quinn for unpaid utility services in the amount of $12,651.44. Mr. Quinn has counterclaimed against IPL, alleging improper billing and utility disconnection practices, requesting actual damages of $400,000 plus all amounts allegedly overbilled by IPL to Mr. Quinn since 1978, and punitive damages of $1,000,601,000. Defendant's attorney has orally stated that the request for punitive damages of

$1,000,000,000 is a typographical error. As of the date of this report, the counterclaim has not been amended to reflect the attorney's statement.

Raymond L. Carnes vs. Iowa Power and Light Company, Law No. CL49-28649, presently pending in Polk County District Court, requests actual damages of $115,000, punitive damages of $1,400,000 and special damages of $1,000, alleging improper billing and utility disconnection practices by IPL. IPL has counterclaimed for $354.54 for unpaid utility services provided to Mr. Carnes.

Craig J. Sonksen vs. Iowa Power and Light Company, Law No. CL49-28648 currently pending in Polk County District Court requests actual damages of $80,000, punitive damages of $450,000 and special damages of $1,000 alleging improper billing and utility disconnection practices by IPL. IPL has counterclaimed for unpaid utility services provided to Mr. Sonksen in the amount of $4,544.97.

Item 4-Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of IPL's securities holders during the fourth quarter of 1982.

PART II

Item 5-Market for the Registrant's Common Stock and Related Security Matters

IPL's common stock is held entirely by its parent company, Iowa Resources, and is not publicly traded. Annual common stock dividends paid by IPL in 1982 and 1981 were $27,271,000 and $23,606,000, respectively.

Item 6-Selected Financial Data

For a summary of selected financial data of IPL for each of the last five fiscal years, reference is made to Part IV of this report.

Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations

Reference is made to Part IV of this report.

Item 8-Financial Statements and Supplementary Data

For the financial statements of IPL, including (i) Statement of Income, (ii) Balance Sheet, (iii) Statement of Retained Earnings, (iv) Statement of Changes in Financial Position, (v) Notes to Financial Statements and (vi) Report of Independent Public Accountants, reference is made to Part IV of this report.

Item 9-Disagreements on Accounting and Financial Disclosure

None.

PART III

Item 10-Directors and Executive Officers of the Registrant

Information concerning the directors and executive officers of IPL is as follows:

(a) Identification

Name	Position	Age	Served as Executive Officer Since	Served as Director Since
Albert L. Anderson	Director	56	-	1973
Waldo O. Bargmann	Director	62	-	1975
Charles Duchen	Director	65	-	1974
Jack R. Eakin	Director	66	-	1973
Charles O. Laverty	Director	66	-	1979
J. R. Lyon	President and Director	55	1966	1972
M. W. Putney	Vice Chairman and Director	54	1972	1974
John Ruan	Director	69	-	1958
R. F. Schlenker	Senior Vice President and Director	54	1964	1975
D. H. Swanson	Chairman of the Board, Chief Executive Officer and Director	63	1969	1969
Charles W. Wilson	Director	65	-	1969
Daniel J. Zaffarano	Director	65	-	1973
E. L. Birdsall	Vice President	61	1975	-
P. D. Ehm	Vice President	50	1975	-
J. P. Glahn	Vice President	52	1973	-
P. L. Greenwood	Vice President	61	1976	-
J. E. Luhring	Vice President	55	1975	-

W. M. Merrill	Vice President and Controller	59	1966	-
L. K. Vorbrich	Vice President, General Counsel and Secretary	44	1978	-
E. E. Young	Vice President	57	1976	-

Each director and executive officer serves an annual term of office.

(b) Business Experience During the Last Five Years

Albert L. Anderson	President and Founder of Mid-America Body & Equipment Co., Inc. (manufacturing). Also President and Founder of Mid- America Industries, Ltd., Mid-America Farms & Nurseries, Inc., Moly Oil of Des Moines and Founder of KALA, Inc.
Waldo O. Bargmann	Retired as General Manager of the John Deere Des Moines Works (manufacturing) in 1983. Associated with Deere & Company since 1946, including ten years as Director of Manufacturing in Germany. Director and member of the Executive Committee of Valley National Bank and director of Iowa Lutheran Hospital.
Charles Duchen	Chairman of the Board and Director of Younkers, Inc. (retail merchandising). Director of Central National Bank Bancshares Corporation, United Central Bank of Des Moines, Northwestern Bell Telephone Company and Equitable of Iowa Companies.
Jack R. Eakin	Chairman and Director of State Bank and Trust of Council Bluffs (banking). Director of Hawkeye Bancorporation and Title Guaranty Company.
Charles O. Laverty	President of Laverty Elevator, Inc., Laverty Sprayers, Inc., Laverty Supply, Inc. and C. O. Laverty Farms (agriculture). Director of Warren County Brenton Bank.
J. R. Lyon	President of IPL and Senior Vice President of Iowa Resources since 1980. From 19[illegible] to 1980, Mr. Lyon was Executive Vice President of IPL. Director of United Central Bank of Des Moines and member of the Drake University Board of Trustees.

M. W. Putney	President and Chief Operating Officer of Iowa Resources; Vice Chairman of IPL since 1983. From 1980 to 1983, Mr. Putney was Executive Vice President of Iowa Resources and IPL; prior to that he was Senior Vice President and General Counsel. Director of Iowa-Des Moines National Bank and AID Insurance Company; Director and member of Executive Committee of Greater Des Moines Chamber of Commerce.
John Ruan	President of Ruan Transport Corporation (motor carrier). President of Ruan Leasing Company, Ruan Aviation Corporation, Carriers Insurance Company, the United Canada Insurance Company and City Center Corporation. Chairman of the Board and Treasurer of Ruan Center Corporation. Director of Northwestern Bell Telephone Company, Equitable of Iowa Companies, Heritage Communications, Inc. and Northwestern States Portland Cement Company. Chairman of the Executive Committee and Chairman of the Board of Bankers Trust Company of Des Moines.
R. F. Schlenker	Senior Vice President of IPL and Iowa Resources. Director of Iowa Methodist Medical Center, J. N. "Ding Darling" Foundation, Mid-Iowa Council of Boy Scouts of America, Greater Des Moines Chamber of Commerce and Center for Urban Environmental Studies; member of Simpson College Board of Trustees.
D. H. Swanson	Chairman of the Board and Chief Executive Officer of IPL, Chairman of the Board, Chief Executive Officer of Iowa Resources. Prior to 1983 Mr. Swanson was also President of Iowa Resources and prior to 1980, Mr. Swanson was President of IPL. Director and member of the Executive Committee of the Bankers Life Company and Director of Bankers Trust Company of Des Moines.
Charles W. Wilson	President and Chief Executive Officer of Wilson Concrete Company (manufacturing). Chairman and Vice President of Oakview Construction Company. Chairman and President of Road Equipment Company, Secretary-Treasurer and Director of Red Coach Inn, Inc., and Acorn Development Company, Director and Executive Committee member of Hawkeye Bancorporation and Director of Rockford Drop Forge Co., Houghton State Bank and Anita Bancorporation.
Daniel J. Zaffarano	Vice President for Research and Dean of the Graduate College of Iowa State University.

E. L. Birdsall	Vice President of IPL since 1975.
P. D. Ehm	Vice President and Treasurer of IPL and Iowa Resources, 1979-1980; Vice President of IPL since 1975.
J. P. Glahn	Vice President and Treasurer of IPL and Iowa Resources since 1981; Vice President and Treasurer of IPL 1977-1978; and Vice President of IPL 1979-1980.
P. L. Greenwood	Vice President of IPL since 1976.
J. E. Luhring	Vice President of IPL since 1975.
W. M. Merrill	Vice President and Controller of IPL and Iowa Resources.
L. K. Vorbrich	Vice President, General Counsel and Secretary of Iowa Resources and IPL since 1983. Prior to that he was General Counsel and Secretary of IPL and Iowa Resources.
E. E. Young	Vice President of IPL since 1976.

Item 11-Management Remuneration and Transactions

The following table sets forth all remuneration paid by IPL during the year ended December 31, 1982, (1) to each of the five most highly compensated executive officers or directors of IPL whose total remuneration exceeded $50,000 and (2) to all of its directors and officers as a group.

		Cash and cash-equivalent forms of remuneration		
Name of individual or persons in group	Capacities in which served	Salaries, fees, directors' fees, commissions, and bonuses (1)	Securities or property, insurance benefits or reimbursement, personal benefits(2)	Aggregate of contingent forms of remuneration (3)
Dwight H. Swanson	Chairman of the Board, Chief Executive Officer and Director	$181,481	$7,529	$30,000
Mark W. Putney	Vice Chairman and Director	112,227	4,725	11,000
J. R. Lyon	President and Director	119,442	5,256	12,000

		Cash and cash-equivalent forms of remuneration		
Name of individual or persons in group	Capacities in which served	Salaries, fees, directors' fees, commissions, and bonuses (1)	Securities or property, insurance benefits or reimbursement, personal benefits(2)	Aggregate of contingent forms of remuneration (3)
R. F. Schlenker	Senior Vice President and Director	105,012	4,098	8,000
W. M. Merrill	Vice President and Controller	72,585	3,043	5,000
27 officers and directors as a group, including those listed above.		1,525,344	54,270	81,000

(1) Includes payments to each director of IPL, who is also a director of Iowa Resources, for serving in his capacity as director during 1982 (the current combined director's fee is $6,000 per year). Also included is the $400 fee paid to each director who is not also an officer of Iowa Resources or one of its subsidiaries, for attending each board meeting and committee meeting, but it does not include reimbursed expenses incurred by each director in attending such meetings.

(2) Includes (a) the value, less any employee contribution, of Iowa Resources common stock allocated in 1982 for the benefit of such persons under the Tax Reduction Act Employee Stock Ownership Plan which provides Iowa Resources common stock to all of its eligible employees, and (b) the difference between the purchase and market prices of Iowa Resources common stock purchased in 1982 by such persons under the Employee Stock Purchase Plan which permits all eligible employees to purchase, through payroll deduction only, shares of Iowa Resources common stock at 85% of market price on designated dates; eligible employees under both plans are persons who have completed one year of service as an employee. Also includes the difference between the purchase and market prices of Iowa Resources common stock purchased in 1982 by such persons under the Automatic Dividend Reinvestment and Stock Purchase Plan which is open to all owners of Iowa Resources common stock.

(3) Includes amounts of compensation deferred in 1982 at the option of such person under an unfunded Executive Deferred Compensation Plan in which participation is limited to certain key executives as determined by the Board of Directors. Under the Plan, a participant may defer payment of a specified portion of future compensation, in the form of Deferred Compensation Units, until retirement, death or disability. Each Unit is the equivalent of a $1,000 debenture paying such annual rate of interest and convertible into the equivalent of such number of shares of common stock of Iowa Resources as its Board of Directors may specify at the time of

crediting of the Units. No benefits are payable under the Plan unless a participant continues employment for a period of four years from the date Deferred Compensation Units are first credited to his account or until his active employment terminates because of retirement, death or disability.

The Iowa Resources Salaried Employees Retirement Income Plan ("Plan"), in which IPL employees participate, provides for payment of fixed pension benefits to a person who retires after a specified age and number of years of service based on the annual average salary during the five highest paid consecutive years out of the last ten years of employment preceding retirement. Messrs. Swanson, Putney, Lyon, Schlenker and Merrill have 13.9, 13.3, 20.0, 19.8, and 24.3 years of service, respectively, credited under the Plan as of December 31, 1982. Because deferred compensation is not regarded as "salary" under the Plan, participants in the Executive Deferred Compensation Plan have entered into agreements with Iowa Resources which supplement their retirement benefits in amounts sufficient to provide total retirement benefits as though deferred compensation were included as "salary". The table below shows estimated annual benefits payable (excluding Social Security) under the Plan and such agreements to an employee upon retirement at age 65.

Annual Average Salary in 5 Consecutive Highest Paid Years out of Last 10 Years Preceding Retirement	Estimated Annual Benefit				
	Years of Service				
	10	15	20	25	30
$ 50,000	$ 7,802	$ 11,703	$ 15,603	$ 19,505	$ 23,406
75,000	11,802	17,703	23,604	29,505	35,406
100,000	15,801	23,703	31,604	39,504	47,406
125,000	19,802	29,703	39,603	49,505	59,403
150,000	23,802	35,703	47,604	59,505	71,406
175,000	27,801	41,703	55,604	69,504	83,406
200,000	31,802	47,703	63,604	79,505	95,406

In addition to the amounts shown above, Messrs. Lyon, Schlenker and Merrill are entitled to annual retirement benefits of approximately $471, $570 and $413, respectively, resulting from credited years of service under an earlier version of the Plan. Under a supplemental employee benefits agreement entered into in 1969, Mr. Swanson is entitled to an additional retirement benefit of approximately $60,385, based upon retirement at age 65 at his current salary level.

IPL occupies office space in Des Moines, Iowa under a lease dated December 31, 1975 with the Ruan Center Corporation. John Ruan, a director of Iowa Resources and IPL, is a director and the chairman of the board and owns, directly and indirectly, 97.5% of the outstanding voting securities of Ruan Center Corporation. The current annual rental, subject to adjustment to reflect increases in certain building costs, is $406,925 per annum. The rental rate is competitive with other comparable office space in Des Moines and, in the opinion of management, is fair and reasonable.

IPL has subscribed to 81.2 limited partnership units of $10,000 each (5.5% of the total) in the City Center Development, a limited partnership, the primary business of which is the ownership, management and operation of a hotel in downtown Des Moines, Iowa. IPL has also purchased 10,000 shares of common stock (3.8% of the total) of the City Center Corporation, the general partner in City Center Development, for $50,000. Mr. Swanson, who is chairman of the board and a director of Iowa Resources and chairman of the board and a director of IPL, is a director of City Center Corporation. Mr. Ruan, a director of Iowa Resources and IPL, is president and treasurer and a director of City Center Corporation. A member of Mr. Ruan's family owns 53.9% of the common stock of City Center Corporation, and members of his family and affiliated companies hold 11.8% of the limited partnership interests in City Center Development. Mr. Duchen, a director of Iowa Resources and IPL, is a director of City Center Corporation. Mr. Duchen is a director and owns less than 0.3% of the outstanding common stock of Equitable of Iowa Companies which, through an affiliated company, owns 3.8% of City Center Corporation and holds 17.8% of the limited partnership interests of City Center Development. The prices paid by IPL for its limited partnership units in City Center Development and for its common stock in City Center Corporation were the same prices paid by others for their partnership units and common stock therein. In the opinion of management, such prices were fair and reasonable.

Item 12-Security Ownership of Certain Beneficial Owners and Management

Iowa Resources Inc., the parent company of IPL, owns 100% of the 7,586,456 shares of IPL's common stock, par value $10, which were outstanding on February 27, 1982. Iowa Resources had 10,052,466 shares of common stock outstanding on February 27, 1983.

The following table sets forth information concerning each class of Iowa Resources and IPL's equity securities which were owned of record or beneficially held on February 27, 1983, by all of IPL's directors and nominees for election as directors, and by all directors and officers as a group:

Title of Class	Name of Director or Identity of Group	Number of Shares	Percent of Class
Iowa Resources common stock, without par value	Albert L. Anderson	823	.008
Iowa Resources common stock, without par value	Waldo O. Bargmann	500	.005
Iowa Resources common stock, without par value	Charles Duchen	3,811	.038
Iowa Resources common stock, without par value	Jack R. Eakin	1,115	.011
Iowa Resources common stock, without par value	Charles O. Laverty	244	.002

Iowa Resources common stock, without par value	J. R. Lyon	4,196	.042
Iowa Resources common stock, without par value	Mark W. Putney	3,906 (1)	.039
Iowa Resources common stock, without par value	John Ruan	150	.001
Iowa Resources common stock, without par value	R. F. Schlenker	3,243 (2)	.032
Iowa Resources common stock, without par value	Dwight H. Swanson	6,643 (3)	.066
Iowa Resources common stock, without par value	Charles W. Wilson	2,426	.024
Iowa Resources common stock, without par value	Daniel J. Zaffarano	635	.006
Iowa Resources common stock, without par value	28 directors and officers, as a group	49,147 (4)	.489
Iowa Power cumulative preferred stock, par value $100	28 directors and officers, as a group	96	.013

(1) Includes 2,305 shares owned by Mr. Putney's three children and one minor grandchild.
(2) Includes 37 shares owned by Mr. Schlenker's wife.
(3) Includes 2,000 shares owned by trusts for the benefit of Mr. Swanson's two children, and 251 shares owned by Mrs. Swanson as custodian for their grandchildren.
(4) Does not include 305,108 shares held by Mr. Glahn as Trustee for the Iowa Resources Tax Reduction Act Employee Stock Ownership Plan.

Item 13-Certain Relationships and Related Transactions

See response to item 11.

PART IV

Item 14-Exhibits, Financial Statement Schedules, and Reports on Form 10-K

(a)1. Filed herewith are:

(a)2. Financial Statement Schedules

The following schedules for IPL are omitted because of the absence of the conditions under which they are required:

I, III, IV, VII, XI, XII, XIII

(a)3. The following exhibits are filed herewith:

4.31 Twentieth Supplemental Indenture dated as of May 1, 1982 between IPL and Harris Trust and Savings Bank and R. S. Stam, Trustees.

The following exhibits are hereby incorporated herein by reference:

4.1 Indenture of Mortgage dated as of August 1, 1943, between IPL and Harris Trust and Savings Bank and Harold Eckhart, Trustees. (Filed as Exhibit 8(a)(1) to IPL's Registration Statement, Registration No. 2-5138.)

4.2 Instrument relative to appointment of W. H. Milsted as Individual Trustee under Indenture of Mortgage. (Filed as Exhibit 4-B-5 to the Company's Registration Statement, Registration No. 2-9619.)

4.4 Fifth Supplemental Indenture dated as of December 1, 1953, between IPL and Harris Trust and Savings Bank and W. H. Milsted, Trustees. (Filed as Exhibit 4-B-7 to IPL's Registration Statement, Registration No. 2-10553.)

4.5 Sixth Supplemental Indenture dated as of June 1, 1956, between IPL and Harris Trust and Savings Bank and W. H. Milsted, Trustees. (Filed as Exhibit 2-B-8 to IPL's Registration Statement, Registration No. 2-12464.)

4.6 Seventh Supplemental Indenture dated as of January 15, 1958, between IPL and Harris Trust and Savings Bank and W. H. Milsted, Trustees. (Filed as Exhibit 2-B-9 to IPL's Registration Statement, Registration No. 2-13816.)

4.7 Eighth Supplemental Indenture dated as of January 1, 1961, between IPL and Harris Trust and Savings Bank and W. H. Milsted, Trustees. (Filed as Exhibit 2-B-10 to IPL's Registration Statement, Registration No. 2-17274.)

4.8 Ninth Supplemental Indenture dated as of January 1, 1968, between IPL and Harris Trust and Savings Bank and R. H. Long, Trustees. (Filed as Exhibit 2-B-12 to IPL's Registration Statement, Registration No. 2-27681.)

4.9 Tenth Supplemental Indenture dated as of January 1, 1970, between IPL and Harris Trust and Savings Bank and R. H. Long, Trustees. (Filed as Exhibit 2-B-13 to IPL's Registration Statement, Registration No. 2-35624.)

4.10 Eleventh Supplemental Indenture dated as of December 1, 1971 between IPL and Harris Trust and Savings Bank and R. H. Long, Trustees. (Filed as Exhibit 2-B-14 to IPL's Registration Statement, Registration No. 2-42191.)

4.11 Twelfth Supplemental Indenture dated as of August 1, 1974, between IPL and Harris Trust and Savings Bank and R. H. Long, Trustees. (Filed as Exhibit 2 to IPL's Registration Statement, Registration No. 2-51539.)

4.12 Thirteenth Supplemental Indenture dated as of March 1, 1976, between IPL and Harris Trust and Savings Bank and R. H. Long, Trustees. (Filed as Exhibit 2-B-15 to IPL's Registration Statement, Registration No. 2-58163.)

4.13 Fourteenth Supplemental Indenture dated as of March 1, 1977, between IPL and Harris Trust and Savings Bank and R. H. Long, Trustees. (Filed as Exhibit 2-B-16 to IPL's Registration Statement, Registration No. 2-59339.)

4.14 Loan Agreement No. 1 between the City of Council Bluffs, Iowa, and IPL providing for the borrowing by IPL of the proceeds of Pollution Control Revenue Bonds issued by the City. (Filed as Exhibit 2-B-17 to IPL's Registration Statement, Registration No. 2-59339.)

4.15 Loan Agreement No. 2 between the City of Council Bluffs, Iowa, and IPL providing for the borrowing by IPL of the proceeds of Pollution Control Revenue Bonds issued by the City and the issuance by IPL of its Note due 2007. (Filed as Exhibit 2-B-18 to IPL's Registration Statement, Registration No. 2-59339.)

4.16 Instrument relative to the resignation of R. H. Long as individual trustee and appointment and acceptance of R. S. Stam as individual trustee under the Indenture of Mortgage and Deed of Trust between IPL and Harris Trust and Savings Bank, dated as of August 1, 1943, as amended and supplemented. (Filed as Exhibit 2-B-19 to IPL's Registration Statement, Registration No. 2-59339.)

4.17 Fifteenth Supplemental Indenture dated as of September 15, 1977, between IPL and Harris Trust and Savings Bank and R. S. Stam, Trustees. (Filed as Exhibit 2-B-20 to IPL's Registration Statement, Registration No. 2-59752.)

4.18 Sixteenth Supplemental Indenture dated as of December 1, 1978, between IPL and Harris Trust and Savings Bank and R. S. Stam, Trustees. (Filed as Exhibit 2-B-21 to IPL's Registration Statement, Registration No. 2-63259.)

4.19 Loan Agreement dated as of December 1, 1978, between the City of Chillicothe, Iowa, and IPL providing for the borrowing by IPL of the proceeds of Pollution Control Revenue Bonds issued by the City. (Filed as Exhibit 2-B-22 to IPL's Registration Statement, Registration No. 2-63259.)

4.20 Loan Agreement dated as of December 1, 1978, between the City of Council Bluffs, Iowa, and IPL providing for the borrowing by IPL of the proceeds of Pollution Control Revenue Bonds issued by the City. (Filed as Exhibit 2-B-23 to IPL's Registration Statement, Registration No. 2-63259.)

4.21 Loan Agreement No. 1 dated as of December 1, 1978, between the City of Pleasant Hill, Iowa, and IPL providing for the borrowing by IPL of the proceeds of Pollution Control Revenue Bonds issued by the City. (Filed as Exhibit 2-B-24 to IPL's Registration Statement, Registration No. 2-63259.)

4.22 Loan Agreement No. 2 dated as of December 1, 1978, between the City of Pleasant Hill, Iowa, and IPL providing for the borrowing by IPL of the proceeds of Pollution Control Revenue Bonds issued by the City and the issuance by IPL of its Note due 2003. (Filed as Exhibit 2-B-25 to IPL's Registration Statement, Registration No. 2-63259.)

4.23 Guaranty Agreement dated December 1, 1972, between IPL and Commerce Union Bank, as Trustee for Pollution Control Bonds issued by the Town of Pleasant Hill, Iowa. (Filed as Exhibit 5-F to IPL's Registration Statement, Registration No. 2-63259.)

4.24 Guaranty Agreement dated December 1, 1972, between IPL and Commerce Union Bank, as Trustee for Pollution Control Bonds issued by the City of Council Bluffs, Iowa. (Filed as Exhibit 5-G to IPL's Registration Statement, Registration No. 2-63259.)

4.25 Guaranty Agreement dated June 1, 1973, between IPL, Iowa-Illinois Gas and Electric Company, Iowa Southern Utilities Company and Iowa Public Service Company and Commerce Union Bank, as Trustee for Pollution Control Bonds issued by the Town of Salix, Iowa. (Filed as Exhibit 5-H to IPL's Registration Statement, Registration No. 2-63259.)

4.26 Indenture dated as of April 1, 1964, between IPL and Continental Illinois National Bank and Trust Company of Chicago, Trustee, under which IPL's 4 5/8% Sinking Fund Debentures due 1989 are issued. (Filed as Exhibit 2-B-11 to IPL's Registration Statement, Registration No. 2-22099.)

4.27 Seventeenth Supplemental Indenture dated as of January 15, 1979 between IPL and Harris Trust and Savings Bank and R. S. Stam, Trustees. (Filed as Exhibit 2 to IPL's Annual Report on Form 10-K for the year ended December 31, 1979, Commission File No. 1-3567.)

4.28 Eighteenth Supplemental Indenture dated as of June 1, 1980, between IPL and Harris Trust and Savings Bank and R. S. Stam, Trustees. (Filed as Exhibit 4.28 to IPL's Annual Report on Form 10-K for the year ended December 31, 1980, Commission File No. 1-3567.

4.29 Nineteenth Supplemental Indenture dated as of September 15, 1981, between IPL and Harris Trust and Savings Bank and R. S. Stam, Trustees. (Filed as Exhibit 4.29 to IPL's Annual Report on Form 10-K for the year ended December 31, 1981, Commission File No. 1-3567.

4.30 Loan Agreement dated as of September 15 1981, between Louisa County, Iowa and IPL providing for the borrowing by IPL of the proceeds of pollution control revenue bonds issued by the County. (Filed as Exhibit 4.30 to IPL's Annual Report on Form 10-K for the year ended December 31, 1981, Commission File No. 1-3567.)

10.1 Agreement, Ottumwa Generating Station Unit No. 1, dated April 16, 1975, between IPL and Iowa Southern Utilities Company, Iowa Public Service Company and Iowa-Illinois Gas and Electric Company. (Filed as Exhibit 5-A-4 to IPL's Registration Statement, Registration No. 2-54552.)

10.2 Facilities Agreement between IPL and Nebraska Public Power District, dated August 30, 1966. (Filed as Exhibit 4-C-1 to IPL's Registration Statement, Registration No. 2-27681.)

10.3 Amendments Nos. 1 and 2 to Facilities Agreement between IPL and Nebraska Public Power District. (Filed as Exhibit 4-C-1-a to IPL's Registration Statement, Registration No. 2-35624.)

10.4 Power Sales Contract between IPL and Nebraska Public Power District, dated September 22, 1967. (Filed as Exhibit 4-C-2 to IPL's Registration Statement, Registration No. 2-27681.)

10.5 Amendments Nos. 1 and 2 to Power Sales Contract between IPL and Nebraska Public Power District. (Filed as Exhibit 4-C-2-a to IPL's Registration Statement, Registration No. 2-35624.)

10.6 Amendment No. 3 dated August 31, 1970, to the Power Sales Contract between IPL and Nebraska Public Power District, dated September 22, 1967. (Filed as Exhibit 5-C-2-b to IPL's Registration Statement, Registration No. 2-42191.)

10.7 Amendment No. 4 dated March 28, 1974, to the Power Sales Contract between IPL and Nebraska Public Power District, dated September 22, 1967. (Filed as Exhibit 5-C-2-c to IPL's Registration Statement, Registration No. 2-51540.)

10.8 Agreement, Unit 3, George Neal Generating Station, between IPL and Iowa-Illinois Gas and Electric Company, Iowa Southern Utilities Company and Iowa Public Service Company, dated February 2, 1971. (Filed as Exhibit 5-D to IPL's Registration Statement, Registration No. 2-42191.)

10.9 Agreement, Neal No. 3 Transmission Facilities, between IPL and Iowa-Illinois Gas and Electric Company, Iowa Southern Utilities Company and Iowa Public Service Company, dated July 28, 1972. (Filed as Exhibit 5-C-1 to IPL's Registration Statement, Registration No. 2-63259.)

10.10 Neal No. 3 Transmission Operating Agreement, between IPL and Iowa-Illinois Gas and Electric Company, Iowa Southern Utilities Company and Iowa Public Service Company, dated January 2, 1978. (Filed as Exhibit 5-C-1-a to IPL's Registration Statement, Registration No. 2-63259.)

10.11 Agreement, Unit 3, Council Bluffs Power Station, between IPL, Iowa-Illinois Gas and Electric Company, Cedar Falls Municipal Electric Utility, Central The Company Cooperative Inc., Corn Belt Power Cooperative and Eastern Iowa Light and Power Cooperative, dated July 31, 1973. (Filed as Exhibit 5-C-2 to IPL's Registration Statement, Registration No. 2-63259.)

10.12 Amendment No. 1 to Council Bluffs Generating Station Unit 3 Agreement between IPL, Iowa-Illinois Gas and Electric Company, Cedar Falls Municipal Electric Utility, Central Iowa Power Cooperative Inc., Corn Belt Power Cooperative Inc., Eastern Iowa Light and Power Cooperative Inc. and Atlantic Board of Water Works and Electric Light and Power Plant Trustees, dated January 31, 1975. (Filed as Exhibit 5-D-2-a to IPL's Registration Statement, Registration No. 2-52835.)

10.13 Mid-Continent Area Power Pool Agreement (MAPP) between IPL and other utilities, dated March 31, 1972. (Filed as Exhibit 5-E to IPL's Registration Statement, Registration No. 2-63259.)

10.15 Coal Supply Agreement between the Amax Coal Company Division of American Metal Climax, Inc., and IPL dated August 31, 1973, and Amendment to Agreement between the same parties dated December 19, 1973. (Filed as Exhibit 5-J-2 to IPL's Registration Statement, Registration No. 2-51540.)

10.16 Letter Agreement dated July 30, 1974, between Amax Coal Company and IPL amending Coal Supply Agreement. (Filed as Exhibit 5-J-2-a to IPL's Registration Statement, Registration No. 2-52835.)

10.17 Agreement, Louisa Generating Station, between Iowa Public Service Company, IPL, Eastern Iowa Light and Power Cooperative, Iowa-Illinois Gas and Electric Company and City of Tipton, Iowa. (Filed as Exhibit 3 to Iowa Resources' Annual Report on Form 10-K for the year ended December 31, 1979, Commission File No. 1-7830).

10.18 Iowa Resources Inc. Executive Deferred Compensation Plan. (Filed as Exhibit 10.18 to IPL's Annual Report on Form 10-K for the year ended December 31, 1980. Commission File No. 1-3567.)

10.19 Agreement for Supplemental Employee Benefits, dated April 10, 1969, as amended June 27, 1979 between IPL and D. H. Swanson. (Filed as Exhibit 10.19 to IPL's Annual Report on Form 10-K for the year ended December 31, 1980, Commission File No. 1-3567.)

22.1 Subsidiaries of IPL. (Filed as Exhibit 22.1 to IPL's Annual Report on Form 10-K for the year ended December 31, 1980, Commission File No. 1-3567.)

(b) Reports on Form 8-K

On March 5, 1982, IPL filed a Current Report on Form 8-K, reporting as Item 5, "Other Materially Important Events" the following financial statements:

Selected Financial Data
Report of Independent Public Accountants
Statement of Income for the three years ended December 31, 1982
Balance Sheet as of December 31, 1982 and 1981
Statement of Retained Earnings for the three years ended December 31, 1982
Statement of Changes in Financial Position for the three years ended December 31, 1982
Notes to Financial Statements

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IOWA POWER AND LIGHT COMPANY

Date: March 25, 1983

By D. H. SWANSON
(D. H. Swanson)
Chairman of the Board of Directors

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

Signature	Title	Date
D. H. SWANSON (D. H. Swanson)	Chairman of the Board of Directors (Principal Executive Officer)	March 25, 1983
J. P. GLAHN (J. P. Glahn)	Vice President and Treasurer (Principal Financial Officer)	March 25, 1983
W. M. MERRILL (W. M. Merrill)	Vice President and Controller (Principal Accounting Officer)	March 25, 1983
ALBERT L. ANDERSON (Albert L. Anderson)	Director	March 25, 1983
WALDO O. BARGMANN (Waldo O. Bargmann)	Director	March 25, 1983
CHARLES DUCHEN (Charles Duchen)	Director	March 25, 1983
JACK R. EAKIN (Jack R. Eakin)	Director	March 25, 1983
CHARLES O. LAVERTY (Charles O. Laverty)	Director	March 25, 1983
J. R. LYON (J. R. Lyon)	Director	March 25, 1983

M. W. PUTNEY (M. W. Putney)	Director	March 25, 1983
JOHN RUAN (John Ruan)	Director	March 25, 1983
R. F. SCHLENKER (R. F. Schlenker)	Director	March 25, 1983
CHARLES W. WILSON (Charles W. Wilson)	Director	March 25, 1983
DANIEL J. ZAFFARANO (Daniel J. Zaffarano)	Director	March 25, 1983

IOWA POWER AND LIGHT COMPANY

SELECTED FINANCIAL DATA

	Year Ended December 31				
	1982	1981	1980	1979	1978
	(In Thousands)				
Revenues	$382,605	$326,335	$295,185	$268,889	$227,155
Operating income	57,612	50,716	46,653	44,416	33,300
Net income available to common stock	36,449	31,987	27,376	26,577	24,685
Total assets	1,080,349	1,068,524	964,641	918,642	834,813
Long-term debt	324,301	283,512	270,887	250,471	213,163
Cumulative preferred stock without sinking fund	44,961	44,961	44,961	45,000	45,000
Cumulative preferred stock with sinking fund	27,942	28,492	28,923	9,500	10,000
Common equity	268,965	244,085	212,848	204,031	180,480
Total capitalization	666,169	601,050	557,619	509,002	448,643
Power purchase contract	206,200	211,483	205,112	209,910	214,483

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Iowa Power and Light Company:

We have examined the balance sheet of IOWA POWER AND LIGHT COMPANY (an Iowa corporation and wholly-owned subsidiary of Iowa Resources Inc.) as of December 31, 1982 and 1981, and the related statements of income, retained earnings and changes in financial position for each of the three years in the period ended December 31, 1982. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Iowa Power and Light Company as of December 31, 1982 and 1981, and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the index of financial statement schedules on page 22 are presented for purposes of complying with the Securities and Exchange Commission's rules and regulations under the Securities Exchange Act of 1934 and are not otherwise a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN & CO.

Des Moines, Iowa
January 26, 1983

IOWA POWER AND LIGHT COMPANY

STATEMENT OF INCOME

FOR THE THREE YEARS ENDED DECEMBER 31, 1982

(In Thousands)

	1982	1981	1980
OPERATING REVENUES (Notes 1 and 2)			
Electric	$240,360	$220,120	$202,119
Gas	142,245	106,215	93,066
	382,605	326,335	295,185
OPERATING EXPENSES			
Operation-			
Purchased power-nuclear(Note 4)	55,338	46,085	41,151
Interchanged power, net	(21,177)	(10,566)	(16,487)
Electric production fuel	41,633	42,904	42,051
Gas purchased for resale	113,024	84,767	70,195
Other operation	45,574	40,656	35,779
Maintenance	19,448	19,638	15,796
Depreciation (Note 1)	27,867	25,404	23,668
Income taxes (Note 1)	23,849	7,382	18,666
Property and other taxes	19,437	19,349	17,713
	324,993	275,619	248,532
OPERATING INCOME			
Electric	51,694	47,238	41,946
Gas	5,918	3,478	4,707
	57,612	50,716	46,653
OTHER INCOME (DEDUCTIONS)			
Allowance for equity funds used during construction and carrying costs accrued on advances (Notes 1 and 4)	9,564	6,417	3,788
Other, net	(1,223)	(313)	(80)
	8,341	6,104	3,708
Income before interest charges	65,953	56,820	50,361
INTEREST CHARGES			
Interest on long-term debt	28,315	21,679	20,512
Interest on short-term debt	4,843	10,654	4,363
Allowance for borrowed funds used during construction and carrying costs accrued on advances (Notes 1 and 4)	(9,353)	(13,279)	(6,747)
	23,805	19,054	18,128
NET INCOME (Note 2)	42,148	37,766	32,233
Preferred stock dividends	5,699	5,779	4,857
NET INCOME AVAILABLE TO COMMON STOCK (Note 2)	$ 36,449	$ 31,987	$ 27,376

The accompanying notes are an integral part of this statement.

IOWA POWER AND LIGHT COMPANY

BALANCE SHEET - DECEMBER 31, 1982 AND 1981

(In Thousands)

PROPERTY AND OTHER ASSETS	1982	1981
UTILITY PLANT, at original cost (Notes 1 and 7)		
Electric	$705,179	$704,340
Gas	99,809	94,757
	804,988	799,097
Less-accumulated provisions for depreciation	(228,218)	(216,437)
	576,770	582,660
Construction work in progress	177,985	137,296
	754,755	719,956
PRODUCTIVE CAPACITY UNDER POWER PURCHASE CONTRACT (Note 4)	211,483	216,513
ADVANCES, INCLUDING CARRYING COSTS AND NET OF AMORTIZATION (NOTE 4)		
Nuclear fuel	12,690	20,037
Capital improvements	19,635	13,321
	32,325	33,358
CURRENT ASSETS		
Cash and short-term investments	1,503	2,441
Accounts receivable, less reserves of $823 and $524, respectively	35,094	35,129
Accounts receivable from affiliated companies	1,027	2,956
Materials and supplies, at average cost	8,837	9,487
Electric production fuel, at average cost	11,694	20,287
Prepayments and other	2,862	3,386
	61,017	73,686
DEFERRED CHARGES AND OTHER ASSETS		
Construction and other funds held by pollution control revenue bond trustee	336	6,682
Other	20,433	18,329
	20,769	25,011
	$1,080,349	$1,068,524

CAPITALIZATION AND LIABILITIES	1982	1981
COMMON EQUITY (Note 5)		
Common stock - authorized 8,000,000 shares, par value $10, outstanding 7,586,456 shares	$ 75,865	$ 75,865
Additional paid-in capital	104,583	95,567
Retained earnings, per accompanying statement	88,517	72,653
	268,965	244,085
CUMULATIVE PREFERRED STOCK - authorized 800,000 shares, par value $100 (Note 6)		
Without sinking fund -		
49,850 shares, 3.30%	4,985	4,985
50,000 shares, 4.40%	5,000	5,000
49,950 shares, 4.35%	4,995	4,995
49,908 shares, 4.80%	4,991	4,991
100,000 shares, 7.84%	10,000	10,000
149,900 shares, 8.50%	14,990	14,990
	44,961	44,961
With sinking fund -		
79,425 and 84,920 shares, 10.20%	7,942	8,492
200,000 shares, 9.75%	20,000	20,000
	27,942	28,492
LONG-TERM DEBT (Note 7)	324,301	283,512
Total capitalization	666,169	601,050
POWER PURCHASE CONTRACT (Note 4)	206,200	211,483
CURRENT LIABILITIES		
Commercial paper outstanding (Note 8)	425	38,965
Customer refunds payable at 17.35%	-	23,458
3 3/8% First Mortgage bonds due December 1, 1983	7,170	-
3¼% First Mortgage bonds due May 15, 1982	-	8,422
Current portion of power purchase contract (Note 4)	5,282	5,030
Accounts payable	43,368	43,360
Dividends declared	1,429	8,128
Taxes accrued	24,895	20,698
Interest accrued	8,372	7,104
Other	6,295	1,900
	97,236	157,065
RESERVES AND DEFERRED CREDITS		
Accumulated deferred income taxes (Note 1)	58,977	51,952
Unamortized investment tax credit (Note 1)	47,148	40,294
Other	4,619	6,680
	110,744	98,926
	$1,080,349	$1,068,524

The accompanying notes are an integral part of this statement.

IOWA POWER AND LIGHT COMPANY

STATEMENT OF RETAINED EARNINGS

FOR THE THREE YEARS ENDED DECEMBER 31, 1982

(In Thousands)

	1982	1981	1980
BALANCE, beginning of year	$ 72,653	$ 65,462	$ 59,119
ADD - Net income (Note 2)	42,148	37,766	32,233
	114,801	103,228	91,352
DEDUCT			
Cash dividends-			
3.30% cumulative preferred stock	164	164	165
4.40% cumulative preferred stock	220	220	220
4.35% cumulative preferred stock	217	217	218
4.80% cumulative preferred stock	240	240	240
7.84% cumulative preferred stock	784	784	784
10.20% cumulative preferred stock	850	930	980
8.50% cumulative preferred stock	1,274	1,274	1,275
9.75% cumulative preferred stock	1,950	1,950	975
Common stock	20,585	24,792	20,741
Other	-	4	292
	26,284	30,575	25,890
BALANCE, end of year	$ 88,517	$ 72,653	$ 65,462

The accompanying notes are an integral part of this statement.

IOWA POWER AND LIGHT COMPANY

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE THREE YEARS ENDED DECEMBER 31, 1982
(In Thousands)

	1982	1981	1980
SOURCES OF FUNDS			
Operations			
Net income (Note 2)............	$42,148	$37,766	$32,233
Add items not requiring current outlay of funds:			
Depreciation.................	30,598	27,622	25,159
Amortization of nuclear fuel advance.....................	8,871	7,633	6,198
Deferred income taxes, net....	7,025	1,401	6,270
Deferral of investment tax credit, net................	6,853	2,997	5,065
Allowance for funds used during construction and carrying costs accrued on advances (Note 1)...........	(18,917)	(19,696)	(10,535)
	76,578	57,723	64,390
Change In Working Capital Exclusive Of Current Maturities			
Cash and short-term investments.	938	459	(466)
Accounts receivable............	35	(7,635)	(246)
Accounts receivable from affiliated companies...............	1,929	(2,585)	6,268
Materials, supplies and electric production fuel...............	9,243	4,540	(1,829)
Commercial paper outstanding....	(38,540)	5,905	(11,285)
Accounts payable................	8	3,729	5,624
Taxes accrued...................	4,197	1,250	(2,393)
Customer refunds payable........	(23,458)	23,458	-
Other, net......................	(3,834)	2,322	957
	(49,482)	31,443	(3,370)
Financing And Other			
Sale of preferred stock, net proceeds......................	-	-	19,712
Sale of long-term debt, net proceeds.....................	48,740	-	29,655
Bank credit agreement...........	-	-	(8,500)
Capital contribution from parent company.......................	9,060	24,046	2,474
Pollution control revenue bond proceeds received from trustee.......................	5,915	15,409	1,351
Other, net.....................	4,170	3,941	322
	67,841	43,396	45,014
	$94,937	$132,562	$106,034
APPLICATION OF FUNDS			
Property additions			
Electric......................	$57,582	$89,354	$74,058
Gas...........................	5,787	6,008	5,911
	63,369	95,362	79,969
Nuclear fuel advance............	1,524	10,814	1,991
Advance for capital improvements.	7,355	10,091	3,603
Allowance for funds............	(18,917)	(19,696)	(10,535)
	53,331	96,571	75,028
Cash dividends declared.........	26,284	30,571	25,598
Maturing long-term debt.........	8,422	-	-
Other, net......................	6,900	5,420	5,408
	$ 94,937	$132,562	$106,034

The accompanying notes are an integral part of this statement.

IOWA POWER AND LIGHT COMPANY

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies:

(a) General

The accounting records of Iowa Power and Light Company (IPL), a wholly-owned subsidiary of Iowa Resources Inc., are maintained in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC) which has also been adopted by the Iowa State Commerce Commission (ISCC).

(b) Utility Plant

Electric and gas plant is stated at original cost, which includes payroll taxes, pensions, insurance and other payroll benefits, administrative and general costs and the allowance for funds used during construction. Income tax reductions arising from the current deductibility of certain of these expenditures are reflected as current reductions to income tax expense on the Statement of Income.

(c) Joint Plant Ownership

Under joint plant ownership agreements with other Iowa utilities, IPL had undivided interests at December 31, 1982, in four electric generating units, as shown below:

	Neal Unit No. 3	Council Bluffs Unit No. 3	Ottumwa Unit No. 1	Louisa Unit No. 1
	(Dollars in millions except cost per KW)			
Utility plant in service	$34.6	$160.1	$ 57.6	$ -
Utility plant under construction	-	-	-	160.9
Estimated for completion	-	-	-	28.0
Total	$34.6	$160.1	$ 57.6	$188.9
Year in service (planned). . .	1975	1978	1981	(1983)
Accumulated depreciation	$ 7.8	$ 19.4	$ 3.0	$ -
Unit capacity - MW.	515	700	675	650
IPL share - percent	23%	46.7%	15%	30.7%
Total cost per KW	$ 292	$ 490	$ 569	$ 947

The dollar amounts above represent IPL's share in each jointly-owned unit. Each participant must provide its own financing for its share of the unit. Operating expenses on the Statement of Income include IPL's share of direct expenses of these units.

(d) Depreciation

The provisions for depreciation as an annual percentage of the average depreciable plant in service, determined generally by the application of straight-line rates, were as follows:

	Year Ended December 31		
	1982	1981	1980
Electric generation and transmission.	3.3%	3.1%	3.1%
Electric distribution	4.2	4.2	4.3
Gas	3.9	4.0	4.1

The cost of repairs and minor replacements is charged to maintenance expense. Property additions and major property replacements are charged to plant accounts. Property retired or disposed of in the normal course of business is charged to accumulated provisions for depreciation, less net salvage credits.

(e) Revenue and Cost Recognition

Revenue recorded from the sale of electricity and gas is based on meters read during the calendar year.

Costs incurred which will be recovered in electric and gas rates under automatic adjustment clauses in a subsequent period are deferred and then charged to expense during the period recovered in rates.

(f) Allowance for Funds Used During Construction (AFUDC)

The allowance for funds used during construction represents the cost of borrowed funds and a return on equity funds used for construction and is computed in accordance with rules of the FERC. This item is a cost of construction and established regulatory rate practices permit IPL to earn a return on such cost and to recover it in the rates charged for utility services after the related plant is placed in service. The equity portion of AFUDC is classified in other income and the portion related to borrowed funds is deducted from interest charges. In accordance with Iowa ratemaking principles, the tax effect of currently deducting the allowance for borrowed funds is not deferred. AFUDC rates for the years 1982, 1981 and 1980 are as follows:

	1982	1981	1980
Borrowed funds	5.9%	8.5%	6.7%
Equity funds	6.2	4.1	3.8
Total AFUDC rate	12.1%	12.6%	10.5%

(g) Federal and State Income Taxes

The items comprising income tax expense are as follows:

	Year Ended December 31		
	1982	1981	1980
Federal income taxes		(In Thousands)	
Taxes currently payable.	$ 4,056	$1,466	$3,068
Provision for deferred taxes	8,832	6,455	5,647
Deferred taxes flowback per ISCC order.	-	(1,501)	-
Deferred taxes provided in prior years-credit	(1,750)	(608)	(397)
Investment tax credits, net.	8,651	3,169	6,731
Total utility operations	19,789	8,981	15,049
Non-utility operations	(830)	156	290
Total Federal income taxes	$18,959	$9,137	$15,339

State income taxes			
Taxes currently payable.	$ 4,117	$ 1,345	$ 2,597
Provision for deferred taxes	-	-	1,050
Deferred taxes flowback per ISCC order.	(57)	(2,944)	-
Deferred taxes provided in prior years-credit	-	-	(30)
Total utility operations	4,060	(1,599)	3,617
Non-utility operations	(190)	29	54
Total state income taxes	$ 3,870	$(1,570)	$ 3,671
Total Federal and state income taxes			
Utility operations	$23,849	$ 7,382	$18,666
Non-utility operations	(1,020)	185	344
	$22,829	$ 7,567	$19,010

Iowa Resources Inc. files consolidated tax returns which include IPL. Under a tax sharing agreement with Iowa Resources Inc., IPL calculates and pays its income tax liability to Iowa Resources Inc. as if IPL had filed a separate return.

Deferred Federal income taxes are provided for the effect of using liberalized tax depreciation provisions. As deferred taxes become currently payable, the related accumulated deferrals are credited to operating income.

In its rate order dated July 31, 1981, the ISCC adopted flow-through accounting for state income taxes and required IPL to begin to flow back previously provided deferred state income taxes and deferred Federal income taxes provided in excess of the current 46% tax rate.

Investment tax credits utilized to reduce taxes payable are deferred and amortized over the life of the property giving rise to such credits. The amortizations for the years 1982, 1981 and 1980 were $1,436,000, $1,342,000 and $1,142,000, respectively.

The total income tax expense set forth above produces the effective income tax rates shown in the following schedule. These rates are computed by dividing such total income tax expense by the sum of such tax expense and net income. The table below reconciles effective income tax rates to the statutory Federal income tax rate.

	Year Ended December 31		
	1982	1981	1980
Effective income tax rate as reported	36%	17%	37%
State income taxes, net of Federal income tax benefits	(3)	(2)	(3)
Federal and state income tax flowback per ISCC order.	-	11	-
Taxes and pension costs treated as current-year tax expense but capitalized per books.	2	3	2

	Year Ended December 31		
	1982	1981	1980
Allowance for funds	11	18	9
Amortization of investment tax credit	2	3	2
Difference between book and tax depreciation for which deferred taxes have not been provided	(3)	(3)	(2)
Other items, net.	1	(1)	1
Statutory Federal income tax rate	46%	46%	46%

(2) Rate Matters:

As a result of an ISCC order dated July 31, 1981, IPL refunded in late April, 1982, $4.1 million of gas and $15.1 million of electric revenues, including interest, collected subject to refund since January 1, 1979 ($17.2 million recorded in 1981, $2.0 million recorded in 1982).

On April 20, 1982, the ISCC issued an order affirming an electric rate increase placed into effect on June 1, 1981, which was designed to increase annual electric revenues by $27 million over previously approved rates.

On July 1, 1982, the ISCC approved IPL's request of April 13, 1982, to increase electric rates six percent on an interim basis beginning July 1, 1982. The new rates, which were placed into effect subject to refund, are designed to produce increased electric revenues of $14.1 million annually. Revenues collected from July 1, 1982, to the end of the year which remain subject to refund pending the final order of the ISCC totaled $6.8 million. At a January 17, 1983, public meeting, the ISCC Commissioners discussed their decision on the major contested issues of this rate filing. The final written order is expected in February, 1983. IPL estimates that any adjustments to revenues and expenses required by the order will not have a material effect on net income.

At its January 17, 1983, meeting, the ISCC indicated that it will order IPL to reduce its reserve for deferred Federal income taxes to reflect the effect of state income taxes which are recorded on a flow-through basis. IPL believes this adjustment would violate the normalization requirements of the Internal Revenue Code which permit IPL to use accelerated tax depreciation. IPL has requested a ruling from the Internal Revenue Service (IRS) and will request a stay of the ISCC order pending an IRS ruling on this issue. If IPL loses the right to use accelerated tax depreciation the IRS could assess a substantial liability for taxes, and associated interest, on previously claimed accelerated depreciation timing differences which, because of the use of flow-through accounting for state income taxes, could exceed the amount presently provided for such timing differences by as much as $7 million. Management believes that the ISCC decision will be stayed pending an IRS ruling on this matter.

Also, at its January 17, 1983, meeting, the ISCC indicated that it will disallow the recovery of $2.3 million of costs related to the cancelled Vandalia Nuclear project. Accordingly, the unamortized Vandalia costs of $2.3 million were expensed in 1982.

On October 27, 1982, the ISCC approved IPL's request of August 30, 1982, to increase gas rates by 1.7% on an interim basis beginning October 27, 1982. The new rates, which were placed into effect subject to refund, are designed to produce increased gas revenues of $2.4 million annually. Revenues collected from October 27, 1982, to the end of the year, which remain subject to refund pending the final order of the ISCC, totaled $0.5 million. On January 5, 1983, the ISCC issued an order approving a stipulation which resolved all issues except the return on equity and the level of deferred Federal income taxes. These issues were bound to the decision reached in the electric rate case discussed above.

All of IPL's electric sales are currently subject to an Energy Cost Adjustment Clause (ECA). The ECA is designed to reflect changes in the costs of fuel used by IPL to generate electricity, to reflect changes in the cost of electricity purchased by IPL and to minimize the time required to reflect such changes in its electric rates. IPL's ECA was revised effective January 1, 1980, to conform to new ISCC rules. Pending final ISCC approval of IPL's revised ECA, a portion of its ECA revenues is being collected subject to refund.

All of IPL's gas sales are subject to an automatic Purchased Gas Adjustment Clause (PGA), which reflects changes in prices charged by its pipeline suppliers. IPL's PGA was revised effective September 1, 1982, to conform to new ISCC rules. Pending final ISCC approval, all PGA revenues being collected are subject to refund.

(3) Generating Capacity:

In response to lower than anticipated load growth, IPL has taken various steps to cancel or postpone construction of future generating stations and has retired two generating units (94 MW) at the Des Moines Power Station built in 1938 and 1950, respectively. IPL cancelled the coal supply contract for the Des Moines Power Station in June, 1982. Termination charges were deferred and, effective November 1, 1982, IPL began recovering these costs through its ECA.

IPL has estimated its liability in connection with its 1981 withdrawal from participation in the proposed Guthrie County Generating Plant at $2.8 million. IPL has reflected this liability in the 1982 financial statements and is amortizing the charge to expense over a five year period beginning in 1982 in accordance with the rate-making treatment management believes will be afforded these costs.

(4) Long-term Power Purchase Contract:

Under a long-term power purchase contract with the Nebraska Public Power District (NPPD), expiring in 2004, IPL buys one-half of the output of the 760 megawatt Cooper Nuclear Station (Cooper). The Balance Sheet includes a liability for IPL's fixed obligation to pay 50% of NPPD's Nuclear Facility Revenue Bonds. A like amount representing IPL's right to purchase Cooper power is shown as an asset.

Monthly payments to NPPD cover one-half of the fixed and operating costs of the plant (excluding depreciation) and IPL's share of nuclear fuel costs based on energy delivered. The debt service portion on a monthly basis approximates $1.4 million and is not contingent upon the plant being in operation. Payments also include amounts to maintain various funds and reserves which are anticipated to be available for plant decommissioning costs and final disposal of spent fuel. "Purchased Power-Nuclear" in the Statement of Income reflects all such payments. The net interest component of IPL's payments to NPPD was $8,658,000, $9,979,000 and $10,277,000 for the years 1982, 1981 and 1980, respectively.

IPL's payments to NPPD representing advances for the delivery of uranium concentrates, together with related carrying costs, are being amortized and recovered in rates in accordance with the refueling schedule. Amortization was $8.9 million, $7.6 million and $6.2 million for the years 1982, 1981 and 1980, respectively. Certain capital improvement costs paid by IPL are being amortized and recovered in rates over the term of the NPPD contract.

(5) Common Stock:

Effective with the reorganization on November 1, 1979, holders of shares of IPL's common stock automatically became shareowners of Iowa Resources Inc. common stock on a share for share basis with Iowa Resources Inc. adopting without change from IPL the Employee Stock Purchase Plan, Automatic Dividend Reinvestment and Stock Purchase Plan and Tax Reduction Act Employee Stock Ownership Plan. Subsequent to the reorganization, IPL has no shares reserved for sale under any stock plans, nor has any additional stock been issued. The balance at December 31, 1982, of common stock issued was $75,864,560 representing 7,586,456 shares.

Additional Paid-In Capital	Year Ended December 31 (In Thousands)		
	1982	1981	1980
Balance, beginning of period.........	$ 95,567	$ 71,521	$ 69,047
Additions arising from contributions from parent company...............	9,016	24,046	2,474
Balance, end of period..............	$104,583	$ 95,567	$ 71,521

(6) Cumulative Preferred Stock:

(a) Preferred Stock Without Sinking Fund

IPL's Cumulative Preferred Stock Without Sinking Fund may be redeemed, at fixed or progressively decreasing prices, in whole or in part, on not more than 60 nor less than 30 days notice, at the option of the Board of Directors. In all cases, the redemption price is in addition to dividends accrued and unpaid at the date of redemption.

(b) Preferred Stock With Sinking Fund

IPL's Cumulative Preferred Stock With Sinking Fund may be redeemed at progressively decreasing prices, in whole or in part, on not more than 60 nor less than 30 days notice, at the option of the Board of Directors.

The 10.20% series of stock contains a sinking fund requirement which began in 1980 to retire 5,000 shares annually of such series at a redemption price of $100 per share. At December 31, 1982, 5,495 reacquired shares are being held to satisfy future sinking fund requirements. The 9.75% series of stock contains a sinking fund requirement, beginning in 1985, to retire 8,000 shares annually of such series, and at IPL's option may retire up to an additional 8,000 shares of such stock, at $100 per share. Stock retired through the sinking fund will accrue dividends to the retirement date.

In the case of a default in the dividend payment for four consecutive quarters of any preferred stock issue, the holders of this class of securities (total Cumulative Preferred Stock) shall be entitled to elect the minimum number necessary to constitute a majority of the members of IPL's Board of Directors.

(7) Long-term Debt:

(a) Financings

In late May 1982, IPL issued $50 million of 14 7/8% First Mortgage Bonds due May 1, 1992. The net proceeds were applied toward the payment of short-term debt.

(b) Assets Subject to Lien

IPL's First Mortgage Bonds are secured by a lien on substantially all property owned by IPL.

(c) Outstanding Long-term Debt

Outstanding First Mortgage Bonds of IPL exclusive of (a) current sinking fund requirements of $1,985,000 and $910,000 at December 31, 1982 and 1981, met substantially by reacquired long-term debt, (b) reacquired long-term debt in excess of these sinking fund requirements, and (c) issues due within one year, consisted of the following:

	1982	1981
	(In Thousands)	
First Mortgage Bonds		
3 3/8% Series due 1983	$ -	$ 7,128
11% Series due 1984* (Louisa County, Iowa).	21,500	21,500
3 5/8% Series due 1986	6,417	6,455
10 7/8% Series due 1987	30,000	30,000
3 5/8% Series due 1988	8,775	8,778
4 5/8% Series due 1991	8,900	8,900
14 7/8% Series due 1992	50,000	-
6 5/8% Series due 1998	13,866	13,875
9% Series due 2000	13,715	13,725
7 5/8% Series due 2001	14,100	14,175
6 1/2% Series due 2003* (Chillicothe, Council Bluffs, and Pleasant Hill, Iowa)	9,900	9,900
10 3/4% Series due 2004	18,698	18,800
8 3/4% Series due 2006	29,700	29,998
5.9% Series due 2007*(Council Bluffs, Iowa).	18,000	18,000
8 1/4% Series due 2007	29,700	30,000
9 3/4% Series due 2009	30,000	30,000
	303,271	261,234
Pollution Control Revenue Bonds (Due Serially 1983 to 2003, average rate 5.3%)**		
Pleasant Hill, Iowa	4,400	4,600
Council Bluffs, Iowa.	3,840	4,000
Salix, Iowa	5,060	5,060
Pollution Control Notes**		
6.7% due 2003 Pleasant Hill, Iowa	1,000	1,000
6.1% due 2007 Council Bluffs, Iowa.	1,000	1,000
	15,300	15,660
Debentures, 4 5/8% due 1989	6,939	7,069
Unamortized debt discount	(1,209)	(451)
	$324,301	$283,512

*These bonds secure IPL's obligations with respect to pollution control revenue bonds issued by the named governmental units.

**IPL has guaranteed the payment of interest and principal on these pollution control revenue bonds and notes through rental payments on the facilities equal to the debt service requirements.

(d) Debt Maturities

Debt maturities and bond sinking fund requirements for 1983, 1984, 1985, 1986 and 1987, net of bonds reacquired and on hand at December 31, 1982, were $8,476,000, $23,708,000, $2,569,000, $8,761,000 and $32,494,000, respectively. In addition, IPL may reduce the sinking fund requirements for the First Mortgage Bonds to the extent of 50% by certifying property additions in accordance with terms of the Indenture and its supplements; except that for those issues due in 2006, 2007 and 2009, the sinking fund requirements may be reduced to the extent of 100% by certifying property additions or, in the alternate, the sinking fund retirement may be increased for these issues by up to the amount required to be retired on that date.

(8) Short-term debt:

Interim financing of the construction program is obtained from the sale of commercial paper or short-term borrowing from banks. At December 31, 1982, lines of credit with various banks totaled $50 million for which the banks are compensated with either a fee, or a compensating balance or a combination of these methods. These lines of credit support the issuance of commercial paper, as required, and no loans were outstanding with banks at December 31, 1982, utilizing these lines of credit. The average interest rates for commercial paper balances outstanding at December 31, 1982 and 1981, were 8.5% and 12.9%, respectively.

(9) Construction Expenditures and Commitments:

(a) Expenditures for property, plant and equipment for 1982 were $63.4 million and the 1983 construction budget totals approximately $55 million.

(10) Segments of Business:

IPL is engaged in generating and distributing electrical energy and distributing natural gas.

		Year Ended December 31		
		Depreciation and Amortization	Income Taxes (Credit)	Assets
		(In Thousands)		
1982	Electric	$ 24,398	$21,229	$ 974,234
	Gas.	3,469	2,620	92,044
	Assets utilized for overall IPL operations	-	-	14,071
	Total.	$ 27,867	$23,849	$1,080,349
1981	Electric	$ 22,110	$ 8,143	$ 965,391
	Gas.	3,294	(761)	87,060
	Assets utilized for overall IPL operations	-	-	16,073
	Total.	$ 25,404	$ 7,382	$1,068,524

		Year Ended December 31		
		Depreciation and Amortization	Income Taxes (Credit)	Assets
		(In Thousands)		
1980	Electric	$ 20,567	$17,413	$ 871,891
	Gas.	3,101	1,253	80,065
	Assets utilized for overall IPL operations	-	-	12,505
	Total.	$ 23,668	$18,666	$ 964,461

Identifiable assets for "Electric" and "Gas" are utility plant less reserves for depreciation and amortization, electric production fuel, deferred gas purchase costs and natural gas storage, material and supplies, net accounts receivable, productive capacity under power purchase contract and advances to NPPD.

(11) Capital Leases:

Certain leases of IPL presently accounted for as non-capitalized financing leases in accordance with their treatment in the ratemaking process meet the criteria for classification as capital leases. If such leases had been accounted for as capital leases, assets would have increased by $12.5 million and $12.2 million and liabilities would have increased by $12.7 million and $12.0 million as of December 31, 1982 and 1981, respectively. If such leases had been accounted for as capital leases, expenses would not have changed materially.

(12) Employees' Pension Plans:

Iowa Resources Inc. and IPL maintain defined benefit pension plans covering substantially all of their employees. IPL's total pension expense for 1982, 1981 and 1980 was $3,166,000, $2,917,000 and $2,468,000, respectively, which includes amortization of past service cost over 30 years. The Companies make annual contributions to the plans equal to amounts accrued for pension expense. A comparison of accumulated plan benefits and plan assets is presented below.

Valuation as of January 1	1982	1981
	(In Thousands)	
Actuarial present value of accumulated plan benefits:		
Vested	$23,012	$20,578
Nonvested.	711	590
	$23,723	$21,168
Net assets available for benefits	$27,885	$23,859

Valuation information as of January 1, 1982, is the latest available.

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 6.5% for both 1982 and 1981.

(13) Quarterly Financial Data (Unaudited):

For the quarters shown, operating revenues, operating income and net income were as follows:

1982	Mar. 31	June 30	Sep. 30	Dec. 31
		(In Thousands)		
Revenues	$119,038	$78,994	$90,860	$93,713
Operating Income	17,896	10,265	17,417	12,034
Net Income	14,069	6,668	13,877	7,534
1981				
Revenues	90,349	66,294	81,502	88,190
Operating Income	15,813	9,859	15,351	9,692
Net Income	14,685	6,026	10,772	6,283

The 1981 quarterly operating results have been restated to reflect the effect of the July 31, 1981, ISCC order and, for interim reporting purposes, the amount of the rate refund and related effect on expenses which are applicable to 1979 and 1980 have been reflected in results of operations for the quarter ending March 31, 1981.

(14) Supplementary Information Concerning the Effects of Changing Prices (Unaudited):

In recent years, inflation has had a significant impact on the earnings and shareholders' investments in business corporations. The regulated electric industry, in particular, has been severely affected due to the large capital requirements for generating capacity additions, the cost of replacing productive assets at inflated prices and the fact that operating income is set by regulation.

IPL presents the following supplementary information concerning the effects of changing prices in accordance with the Financial Accounting Standards Board Statement No. 33, "Financial Reporting and Changing Prices," as modified to reflect the economic effects imposed on IPL by regulatory authorities. It should be viewed as an estimate of the approximate effects of inflation, rather than a precise measure.

The following schedule shows information based upon the constant dollar and current cost methods of measuring the effect of inflation. Constant dollar amounts represent historical cost stated in terms of dollars of equal purchasing power, as measured by the Consumers Price Index for all Urban Consumers. Current cost amounts reflect changes in specific prices of plant from the date the plant was acquired to the present. They differ from constant dollar amounts to the extent that specific prices have increased more or less rapidly than the general rate of inflation. The current cost of plant was determined by using the Handy-Whitman Index of Public Utility Construction Costs. Current cost does not necessarily represent the replacement cost of the IPL's productive capacity because the utility plant is not expected to be replaced precisely in kind.

IPL experienced increases in its cost of electric generation fuel and gas purchased for resale during the year. These increased costs are recoverable in IPL's ECA and PGA clauses.

Depreciation expense was determined by using the effective depreciation rates and methods used for computing book depreciation applied to the constant dollar and current cost plant value calculations. The excess amount of depreciation, using these methods, over the historical depreciation is not recoverable in revenues under the ratemaking procedures prescribed by the regulatory authorities.

Income tax expense was not adjusted because only historical costs are deductible for income tax purposes.

Productive capacity under the Power Purchase Contract (Note 4) is classified as a monetary asset.

Holding monetary liabilities (e.g. long-term debt) partially offsets the effect of increasing prices since a fixed dollar amount of debt will be satisfied in future years with dollars of decreasing value. Conversely, holding monetary assets has the effect of decreasing IPL's purchasing power.

The net effect on shareholder's equity, as shown on the following schedule, is an erosion of $9.1 million in 1982 and $20.0 million in 1981 stated in average 1982 dollars. The ratemaking process does not provide revenues necessary to generate cash flows capable of replacing the capital investment in future years, or preserving the purchasing power of previously invested common equity capital.

Statement of Income from Continuing Operations Adjusted for Changing Prices for The Year Ended December 31, 1982

	Constant Dollar	Current Cost
	(In Thousands of Average 1982 Dollars)	
Net income from continuing operations applicable to common shareholders, as reported	$36,449	$36,449
Erosion of common shareholder's equity because of changing prices:		
Cost in excess of the original cost of productive facilities not recoverable in rates as depreciation-		
Reportable as an additional provision for depreciation*.	25,858	18,542
Excess in the general level of prices ($37,894) in the current year over increase of specific price changes ($30,578)**.	-	7,316
Offsetting effect of debt financing.	(16,766)	(16,766)
Net erosion of common shareholder's equity . . .	9,092	9,092
Net income from continuing operations applicable to common shareholders, as adjusted *** (including the effect of debt financing).	$27,357	$27,357

* The provisions for constant dollar and current cost depreciation would have been $35,576 and $37,795 if these amounts had not exceeded the total write-downs to net recoverable cost by $9,718 and $19,253, respectively.

** At December 31, 1982, current cost of property, plant and equipment, net of accumulated depreciation was $1,008,877 and historical cost or net cost recoverable through depreciation was $755,448.

*** Adjusted income from continuing operations applicable to common shareholders would be $873 on a constant dollar basis and would reflect a net loss of $1,346 on a current cost basis if only the amount reportable as an additional provision for depreciation was deducted from the reported amount of such income.

Five-Year Comparison of Selected Supplementary Data
Adjusted for the Effects of Changing Prices

	Year Ended December 31				
	1982	1981	1980	1979	1978
	(In Thousands of Average 1982 Dollars)				
Operating revenues					
Historical cost dollars	$382,605	$326,335	$295,185	$268,889	$227,155
Constant dollars.	382,605	346,342	345,778	357,570	336,082
Income from continuing operations adjusted for general inflation.	873	519	3,911	10,310	-
Income from continuing operations adjusted for current cost . . .	(1,346)	54	2,249	5,835	-
Net assets at year-end at recoverable amount adjusted for general inflation	267,382	252,071	237,863	256,242	-
Average consumer price index. . .	289.1	272.4	246.8	217.4	195.4
Year-end consumer price index . .	292.4	281.5	258.4	229.9	202.9

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Capital resources of IPL are derived primarily from funds generated from current operations, short term borrowings, long term borrowings and equity financing. These capital resources provide the funds required for current operations, debt interest and retirement, dividends, construction expenditures and other capital requirements.

At December 31, 1982, the material sources of liquidity of IPL included the current assets of $61 million and bank lines of credit of $50 million. IPL also has unpledged bondable property of $282 million which can be used to support long-term borrowings. IPL's financial ratio objectives are to keep long term debt below 50% and to keep preferred and common equity over 50%.

Capital expenditures budgeted for 1983 total $55 million with no significant commitments beyond 1983.

IPL believes its capital resources and liquidity are sufficient to meet its current and projected requirements.

TRENDS

IPL's business is primarily dependent on the use of electricity and natural gas by customers in its service area. This usage may vary with the weather, general business conditions, the state of the economy and the cost of such services. Percentage changes in electric kWh sales to retail and wholesale customers over the prior year for the last three years were: 1982 up 1.1%, 1981 down 4.2% and 1980 up 0.5%. The percentage changes in gas ccf sales to retail customers for the same period were: 1982 up 7.0%, 1981 down 9.3%, and 1980 down 9.9%. IPL recognizes that the increasing costs of energy may result in conservation practices by some of its customers but has no reason to believe that the availability of other forms of energy will have a significant effect on its business in the foreseeable future.

EFFECT OF INFLATION

Inflation has an escalating effect on the prices IPL must pay for labor, fuel, natural gas and other goods and services required for operation, maintenance and capital investments. IPL's electric and gas businesses operate under regulatory provisions which allow increases in the cost of fuel used for electric generation, energy purchases/sales and natural gas purchases to be passed on automatically to retail and wholesale customers by means of electric energy cost adjustment (ECA) and purchased gas adjustment (PGA) clauses. Other increases in the cost of electric and gas service, not otherwise recovered, must be recovered through timely filings for rate relief with the appropriate regulatory body.

RESULTS OF OPERATIONS - 1982 COMPARED WITH 1981

Net income of $36.4 million for 1982 was 13.9% greater than 1981.

Revenues in 1982 increased $56.3 million or 17.2% over 1981 due primarily to revenues derived from rate increases of $13.2 million and from increased revenues from the ECA and PGA clauses of $23.4 million, the restatement of 1981 revenues by $5.7 million to reflect revenues refunded for 1979 and increased electric and gas sales of 1.1% and 7.0%, respectively. The additional revenues derived from the ECA and PGA clauses reflect a flow through of the higher unit cost of fuel to generate or purchase electric energy and purchase gas. IPL is forecasting a 5-year compound growth rate of 2% in electric sales and, based on normal weather, a small decline in gas sales. Reference is made to Note 2 which describes electric and gas rate increases, rate refunds and amounts collected subject to refund.

Operating expenses increased $49.3 million or about 17.9% over 1981 due in a large part to increases in the cost of gas purchased for resale which reflect the higher unit cost charged by the pipeline suppliers and the 7.0% increase in gas sales. Other operation expenses were also up due to increases in employee wages and benefits, increases in the cost of materials and supplies and the amortization of Guthrie County Generating plant costs. Reference is made to Note 3 which describes the Guthrie County Generating Plant amortization.

Income taxes increased due to increases in taxable income and the effect on 1981 income taxes of the flow back of deferred taxes ordered by the ISCC as described in Note 2.

Allowance for equity and borrowed funds used during construction and carrying costs accrued on advances decreased in 1982 from 1981 due primarily to the $3.2 million adjustment to 1981 resulting from the ISCC rate order dated July 31, 1981. The allowance for funds rate decreased to 12.5% in 1982 from 12.6% in 1981.

Interest on long-term debt was up substantially in 1982 due to the sale of $50.0 million of First Mortgage Bonds in May 1982 which was offset by a reduction to interest on short-term debt resulting from reductions to the average amount of short-term debt outstanding.

RESULTS OF OPERATIONS - 1981 COMPARED WITH 1980

Net income of $32.0 million for 1981 was 16.8% greater than 1980.

Revenues in 1981 increased $31.2 million or 10.6% over 1980 due primarily to revenues derived from rate increases of $34.2 million and from increased revenues from the ECA and PGA clauses of $18.7 million. The additional revenues derived from the ECA and PGA clauses reflect a flow through of the higher unit cost of fuel to generate or puchase electric energy and purchase gas. Electric sales decreased 4.2% from 1980 while gas sales were about 9.3% less than 1980.

Operating expenses increased $27.1 million or about 10.9% over 1980 due in a large part to increased costs for purchased power from Cooper Nuclear Station and gas purchased for resale. Purchased power-nuclear was up primarily due to the increased operation and maintenance expenses and also due to increased costs for fuel. Gas purchased for resale cost increases reflect the higher unit cost charged by the pipeline suppliers. The change in maintenance expense reflects the $3.3 million increase in power production repair costs. Other operation and maintenance expenses were also up due to increases in employee wages and benefits and increases in the cost of materials and supplies.

Income taxes decreased due to decreases in taxable income and the effect of the flow back of deferred taxes ordered by the ISCC as described in Note 1.

Allowance for equity and borrowed funds used during construction and carrying costs accrued on advances increased in 1981 over 1980 due primarily to expenditures for the construction of the Ottumwa and the Louisa Generating Stations and an adjustment of $3.2 million in accordance with the ISCC order dated July 31, 1981. The allowance for funds rate also increased to 12.6% in 1981 from 10.5% in 1980.

Interest on debt was up substantially in 1981 due to the sale of $21.5 million of First Mortgage Bonds in September 1981 and an increase in both the average amount of short-term debt outstanding and the average short-term interest rate.

SCHEDULE II
YEAR ENDED
DECEMBER 31, 1982

IOWA POWER AND LIGHT COMPANY

AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS, PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES
(In thousands)

Column A	Column B	Column C	Column D		Column E	
	Balance At Beginning		Deductions		Balance At End Of Period	
Name of person	Of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current
Note Receivable - UNITRAIN, Inc.	$ -	$ 1,151	$ 384	$ -	$ 767	$ -
	$ -	$ 1,151	$ 384	$ -	$ 767	$ -

Note: The note is payable on demand. The interest rate on the note of UNITRAIN, Inc. is 100% of the Iowa Power and Light Company commercial paper rates.

Schedule II for the year ended December 31, 1981 is not provided since there were no amounts receivable from related parties and underwriters, promoters and employees other than related parties for any time during such periods.

SCHEDULE II
YEAR ENDED
DECEMBER 31, 1980

IOWA POWER AND LIGHT COMPANY

AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS, PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES
(In thousands)

Column A	Column B	Column C	Column D		Column E	
			Deductions		Balance At End Of Period	
Name of person	Balance At Beginning Of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current
Notes Receivable -						
ENERCOR, Inc.	$ 2,324	$ 83	$ 2,407	$ -	$ -	$ -
Middlewood, Inc.	360	7	367	-	-	-
Redlands, Inc.	3,938	110	4,048	-	-	-
UNITRAIN, Inc.	-	4,072	4,072	-	-	-
	$ 6,622	$ 4,272	$10,894	$ -	$ -	$ -

Note: The notes are payable on demand. The interest rates on the notes of ENERCOR, Inc., Redlands, Inc., Middlewood, Inc. and UNITRAIN, Inc. are 100%, 100%, 120% and 120%, respectively, of the Iowa Power and Light Company commercial paper rates.

Schedule II for the year ended December 31, 1981 is not provided since there were no amounts receivable from related parties and underwriters, promoters and employees other than related parties for any time during such periods.

IOWA POWER AND LIGHT COMPANY

PROPERTY, PLANT AND EQUIPMENT

(In thousands)

Column A	Column B	Column C	Column D	Column E		Column F
				Other Changes		
Classification	Balance Dec. 31, 1981	Additions at Original Cost	Retirements at Original Cost (Note)	Transfers and Reclassifications	Other	Balance Dec. 31, 1982
STATED AT ORIGINAL COST:						
Electric plant-						
Intangibles	$ 383	$ 20	$ (1)	$ 1	$ -	$ 403
Production-						
Steam	268,107	963	(13,355)	894	285	256,894
Other	23,324	-	-	25	-	23,349
Transmission	104,496	299	(455)	4,204	32	108,576
Distribution	214,418	8,171	(1,475)	3,542	7	224,663
General	12,069	1,032	(302)	13	(8)	12,804
In service, not unitized	70,255	4,503	-	(8,785)	(24)	65,949
Held for future use	907	-	-	-	(317)	590
Total electric plant	693,959	14,988	(15,588)	(106)	(25)	693,228
Gas plant-						
Intangibles	568	1	(2)	(1)	1	567
Production	2,202	-	-	-	-	2,202
Storage plant	5,442	-	-		-	5,442
Distribution	77,735	5,846	(634)	191	-	83,138
General	2,522	163	(46)	-	-	2,639
In service, not unitized	191	451	-	(191)	-	451
Total gas plant	88,660	6,461	(682)	(1)	1	94,439
Common plant-						
In service	16,166	590	(448)	435	20	16,763
In service, not unitized	311	575	-	(328)	-	558
Total common plant	16,477	1,165	(448)	107	20	17,321
Total plant in service	799,096	22,614	(16,718)	-	(4)	804,988
Construction work in progress-						
Electric	132,981	39,850	-	-	(46)	172,785
Gas	4,084	(1,905)	-	-	(2)	2,177
Common	232	2,810	-	-	(19)	3,023
Total construction work in progress	137,297	40,755	-	-	(67)	177,985
Total property, plant and equipment, including intangibles	$936,393	$63,369	$(16,718)	$ -	$ (71)	$982,973

( ) Denotes deduction.

NOTE: The reserve for depreciation has been charged with the amount indicated on Schedule VI for the year ended December 31, 1982. The difference of $80 represents the sale of land.

SCHEDULE V
YEAR ENDED
DECEMBER 31, 1981

IOWA POWER AND LIGHT COMPANY

PROPERTY, PLANT AND EQUIPMENT

(In thousands)

Column A	Column B	Column C	Column D	Column E		Column F
				Other Changes		
Classification	Balance Dec. 31, 1980	Additions at Original Cost	Retirements at Original Cost	Transfers and Reclassifications	Other	Balance Dec 31, 1981
STATED AT ORIGINAL COST:						
Electric plant-						
Intangibles	$ 502	$ 1	$ (2)	$ (118)	$ -	$ 383
Production-						
Steam	263,877	3,294	(16)	952	-	268,107
Other	23,316	8	-	-	-	23,324
Transmission	83,984	696	(580)	20,308	88	104,496
Distribution	206,357	7,738	(1,802)	2,019	106	214,418
General	11,065	1,073	(263)	194	-	12,069
In service, not unitized	25,245	68,261	-	(23,417)	166	70,255
Held for future use	858	(3)	-	-	52	907
Total electric plant	615,204	81,068	(2,663)	(62)	412	693,959
Gas plant-						
Intangibles	565	5	(2)	-	-	568
Production	2,202	-	-	-	-	2,202
Storage plant	5,442	-	-	-	-	5,442
Distribution	73,835	3,045	(213)	1,068	-	77,735
General	2,324	266	(68)	-	-	2,522
In service, not unitized	975	284	-	(1,068)	-	191
Total gas plant	85,343	3,600	(283)	-	-	88,660
Common plant-						
In service	13,904	949	(346)	1,658	1	16,166
In service, not unitized	1,616	291	-	(1,596)	-	311
Total common plant	15,520	1,240	(346)	62	1	16,477
Total plant in service	716,067	85,908	(3,292)	-	413	799,096
Construction work in progress-						
Electric	125,917	7,077	-	-	(13)	132,981
Gas	2,159	1,941	-	-	(16)	4,084
Common	209	24	-	-	(1)	232
Total construction work in progress	128,285	9,042	-	-	(30)	137,297
Total property, plant and equipment, including intangibles	$844,352	$ 94,950	$(3,292)	$ -	$ 383	$936,393

( ) Denotes deduction.

SCHEDULE V
YEAR ENDED
DECEMBER 31, 1980

IOWA POWER AND LIGHT COMPANY

PROPERTY, PLANT AND EQUIPMENT

(In thousands)

Column A	Column B	Column C	Column D	Column E		Column F
				Other Changes		
Classification	Balance Dec. 31, 1979	Additions at Original Cost	Retirements at Original Cost (Note)	Transfers and Reclassifications	Other	Balance Dec. 31, 1980
STATED AT ORIGINAL COST:						
Electric plant-						
Intangibles	$ 382	$ 8	$ -	$ 112	$ -	$ 502
Production-						
Steam	257,181	339	(208)	6,565	-	263,877
Other	23,313	3	-	-	-	23,316
Transmission	72,140	305	(380)	11,919	-	83,984
Distribution	196,629	7,714	(1,667)	3,681	-	206,357
General	10,217	1,397	(629)	80	-	11,065
In service, not unitized	37,805	10,111	-	(22,670)	(1)	25,245
Held for future use	2,540	-	(19)	-	(1,663)	858
Total electric plant	600,207	19,877	(2,903)	(313)	(1,664)	615,204
Gas plant-						
Intangibles	409	159	(3)	-	-	565
Production	2,202	-	-	-	-	2,202
Storage plant	5,442	-	-	-	-	5,442
Distribution	66,824	3,267	(477)	4,218	3	73,835
General	1,992	262	(74)	144	-	2,324
In service, not unitized	2,593	2,775	-	(4,393)	-	975
Total gas plant	79,462	6,463	(554)	(31)	3	85,343
Common plant-						
In service	12,112	1,135	(1,062)	1,669	50	13,904
In service, not unitized	1,333	1,608	-	(1,325)	-	1,616
Total common plant	13,445	2,743	(1,062)	344	50	15,520
Total plant in service	693,114	29,083	(4,519)	-	(1,611)	716,067
Construction work in progress-						
Electric	72,455	53,469	-	-	(7)	125,917
Gas	3,702	(1,535)	-	-	(8)	2,159
Common	909	(699)	-	-	(1)	209
Total construction work in progress	77,066	51,235	-	-	(16)	128,285
Total property, plant and equipment, including intangibles	$770,180	$ 80,318	$(4,519)	$ -	$ (1,627)	$844,352

( ) Denotes deduction.

NOTE: The reserve for depreciation has been charged with the amount indicated on Schedule VI for the year ended December 31, 1980. The difference of $182 represents the sale of land.

SCHEDULE VI
YEAR ENDED
DECEMBER 31, 1982

IOWA POWER AND LIGHT COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

(In thousands)

Column A	Column B	Column C	Column D		Column E		Column F
			Retirements		Other		
Description	Balance Beginning of Period	Additions Charged to Costs and Expenses (Note 1)	At Original Cost (Note 2)	Cost of Removal or Salvage, Net	Additions Charged to Clearing Accounts	Acquired Reserve	Balance End of Period
Electric plant	$171,901	$23,651	$(15,268)	$ (752)	$ 382	130	$180,044
Gas plant	32,191	3,196	(636)	(447)	23	-	34,327
Common plant	5,232	784	(322)	(28)	8	(130)	5,544
Specific equipment	5,580	12	(410)	89	1,277	-	6,548
Intangibles	1,533	224	(2)	-	-		1,755
Total depreciation and amortization	$216,437	$27,867	$(16,638)	$(1,138)	$1,690	-	$228,218

( ) Denotes deduction.

NOTES:

(1) See Note 1(d) of Notes to Financial Statements for the basis of the provision for depreciation.

(2) See Note to Schedule V for the year ended December 31, 1982.

SCHEDULE VI
YEAR ENDED
DECEMBER 31, 1981

IOWA POWER AND LIGHT COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION OF

PROPERTY, PLANT AND EQUIPMENT

(In thousands)

Column A	Column B	Column C	Column D		Column E		Column F
			Retirements		Other		
Description	Balance Beginning of Period	Additions Charged to Costs and Expenses (Notes 1&2)	At Original Cost	Cost of Removal or Salvage, Net	Additions Charged to Clearing Accounts	Acquired Reserve	Balance End of Period
Electric plant	$153,426	$21,089	$(2,431)	$(577)	$ 394	$ -	$171,901
Gas plant	29,688	3,004	(215)	(307)	21	-	32,191
Common plant	4,375	727	(40)	163	7	-	5,232
Specific equipment	4,589	9	(600)	160	1,422	-	5,580
Intangibles	1,316	222	(6)	-	1	-	1,533
Total depreciation and amortization	$193,394	$25,051	$(3,292)	$(561)	$1,845	$ -	$216,437

( ) Denotes deduction.

NOTES:

(1) See Note 1(d) of Notes to Financial Statements for the basis of the provision for depreciation.

(2) Depreciation as shown on the Statement of Income includes $353,000 of amortization associated with an abandoned project.

SCHEDULE VI
YEAR ENDED
DECEMBER 31, 1980

IOWA POWER AND LIGHT COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

(In thousands)

Column A	Column B	Column C	Column D		Column E		Column F
			Retirements		Other		
Description	Balance Beginning of Period	Additions Charged to Costs and Expenses (Notes 1&3)	At Original Cost (Note 2)	Cost of Removal or Salvage, Net	Additions Charged to Clearing Accounts	Acquired Reserve	Balance End of Period
Electric plant	$136,439	$19,589	$(2,256)	$(735)	$ 389	$ -	$153,426
Gas plant	27,491	2,843	(479)	(187)	20	-	29,688
Common plant	3,851	649	(95)	(35)	5	-	4,375
Specific equipment	4,065	22	(1,504)	749	1,257	-	4,589
Intangibles	1,106	213	(3)	-	-	-	1,316
	$172,952	$23,316	$ (4,337)	$ (208)	$1,671	$ -	$193,394

( ) Denotes deduction.

NOTES:

(1) See Note 1(d) of Notes to Financial Statements for the basis of the provision for depreciation.

(2) See Note to Schedule V for the year ended December 31, 1980.

(3) Depreciation as shown on the Statement of Income includes $352,000 of amortization associated with an abandoned project.

SCHEDULE VIII
YEAR ENDED
DECEMBER 31, 1982

IOWA POWER AND LIGHT COMPANY

VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance Dec.31,1981	Additions Charged to Income	Deductions for Purposes for Which Reserves Were Created	Balance Dec.31,1982
Reserve deducted from applicable assets- Uncollectible accounts	$524	$1,882	$1,583	$823
Reserve included in balance sheet in "Reserves and Deferred Credits--Other"- Injuries and damages, net of income taxes	$450	$1,057	$ 184	$1,323

IOWA POWER AND LIGHT COMPANY

VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance Dec.31,1980	Additions Charged to Income	Deductions for Purposes for Which Reserves Were Created	Balance Dec.31,1981
Reserve deducted from applicable assets- Uncollectible accounts	$446	$1,530	$1,452	$524
Reserve included in balance sheet in "Reserves and Deferred Credits--Other"- Injuries and damages, net of income taxes	$187	$ 497	$ 234	$450

SCHEDULE VIII
YEAR ENDED
DECEMBER 31, 1980

IOWA POWER AND LIGHT COMPANY

VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance Dec.31,1979	Additions Charged to Income	Deductions for Purposes for Which Reserves Were Created	Balance Dec.31,1980
Reserve deducted from applicable assets- Uncollectible accounts	$400	$1,356	$1,310	$446
Reserve included in balance sheet in "Reserves and Deferred Credits--Other"- Injuries and damages, net of income taxes	$200	$ (13)	$ -	$187

SCHEDULE IX
DECEMBER 31, 1982

IOWA POWER AND LIGHT COMPANY

SHORT-TERM BORROWINGS[1]

(In thousands)

Column A	Column B	Column C	Column D	Column E	Column F
Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period	Average amount outstanding during the period (2)	Weighted average interest rate during the period (3)
Commercial Paper	$ 425	8.6%	$60,600	$16,442	13.6%

NOTES:

(1) Commercial paper may be issued in an amount not to exceed 25% of gross operating revenues for the preceding twelve months and is issued with maturities not to exceed 270 days at interest rates then in effect. At December 31, 1982 commercial paper maturity date was January 28, 1983.

(2) The computation of the average amount outstanding during the period is based on the sum of the daily amount outstanding divided by the number of days in the year.

(3) The computation of the weighted average interest rate for commercial paper outstanding in 1982 is based on the sum of the annual interest on each commercial paper transaction divided by the sum of the daily net amounts of commercial paper outstanding.

SCHEDULE IX
DECEMBER 31, 1981

IOWA POWER AND LIGHT COMPANY

SHORT-TERM BORROWINGS[1]

(In thousands)

Column A	Column B	Column C	Column D	Column E	Column F
Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period	Average amount outstanding during the period (2)	Weighted average interest rate during the period (3)
Commercial Paper	$38,965	12.9%	$63,920	$40,486	16.4%

NOTES:

(1) Commercial paper may be issued in an amount not to exceed 25% of gross operating revenues for the preceding twelve months and is issued with maturities not to exceed 270 days at interest rates then in effect. At December 31, 1981 commercial paper maturity dates ranged from January 13, 1982 to February 4, 1982.

(2) The computation of the average amount outstanding during the period is based on the sum of the daily amount outstanding divided by the number of days in the year.

(3) The computation of the weighted average interest rate for commercial paper outstanding in 1981 is based on the sum of the annual interest on each commercial paper transaction divided by the sum of the daily net amounts of commercial paper outstanding.

SCHEDULE IX
DECEMBER 31, 1980

IOWA POWER AND LIGHT COMPANY

SHORT-TERM BORROWINGS(1)

(In thousands)

Column A	Column B	Column C	Column D	Column E	Column F
Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period	Average amount outstanding during the period (2)	Weighted average interest rate during the period (3)
Commercial Paper	$33,060	19.0%	$53,700	$31,702	13.7%

NOTES:

(1) Commercial paper may be issued in an amount not to exceed 25% of gross operating revenues for the preceding twelve months and is issued with maturities not to exceed 270 days at interest rates then in effect. At December 31, 1980 commercial paper maturity dates ranged from January 2, 1981 to February 17, 1981.

(2) The computation of the average amount outstanding during the period is based on the sum of the daily amount outstanding divided by the number of days in the year.

(3) The computation of the weighted average interest rate for commercial paper outstanding in 1980 is based on the sum of the annual interest on each commercial paper transaction divided by the sum of the daily net amounts of commercial paper outstanding.

IOWA POWER AND LIGHT COMPANY

SUPPLEMENTARY INCOME STATEMENT INFORMATION
(In thousands)

Column A	Column B Charged To Costs And Expenses		
	Year Ended December 31		
	1982	1981	1980
Taxes, other than payroll and income taxes			
Property	$14,142	$14,861	$13,987
Franchise and other	2,934	2,271	2,063

NOTE: The amount of maintenance other than that set forth on the statements is not significant. Advertising costs are not significant. IPL paid no royalties. Depreciation and amortization of intangible assets is included in Schedule VI.

IOWA POWER AND LIGHT COMPANY

666 Grand Avenue/P.O. Box 657

Des Moines, Iowa 50303

An operating subsidiary of IOWA RESOURCES INC

UNIFORM FORECAST FORM FOR UTILITY ANALYSTS

Assumptions and Comments

- The inflation rate is projected to average 7% per annum.
- The general economy is expected to return to pre-1980 growth levels after 1983.
- Electric sales to increase by 2.2% annually; gas sales to decrease 1.2%.
- The Louisa Generating Station is the only capacity addition planned.
- The effect of the "Tax Equity and Fiscal Responsibility Act of 1982" is reflected.
- AFUDC is insignificant after 1983.
- Internally generated funds are projected to be in excess of construction requirements.

Company Contact: J. Paul Glahn, Vice President and Treasurer

Tel. 515-281-2349

Release Date: July 8, 1983

Note - This forecast is subject to change if actual conditions vary from assumed conditions.

IOWA POWER AND LIGHT COMPANY
1983 - 1987 FINANCIAL FORECAST

Sales, Customers and Load Data

		Actual 1982	Forecast 1983	1984	1985	1986	1987	83 - 87 Annual Growth Rate
Electric								
Total Sales - Kwhr (Millions)		4,216	4,242	4,310	4,402	4,512	4,623	2.2%
Customers - Avg. (Thousands)		230	232	234	236	239	242	1.1
Peak Load - MW	(A)	1,097	1,178	1,193	1,214	1,239	1,264	1.8%
System Load Factor (%)		47.9	45.1	45.3	45.5	45.7	45.9	
Projected Summer Capacity - (MW)	(B)							
Generating Capability		1,132	1,131	1,331	1,331	1,331	1,331	
Purchased from NPPD		380	380	380	380	380	380	
Net Purchases (Sales)		6	3	2	1	(1)	(2)	
Total Net Capability		1,518	1,514	1,713	1,712	1,710	1,709	
Reserve Margin (%)		**38%**	**28%**	**44%**	**41%**	**38%**	**35%**	
Gas								
Sales CCFs (Millions)		317	299	294	291	288	285	(1.2)
Customers - Avg. (Thousands)		133	133	134	134	135	136	.7

Electric Generation And Fuel Statistics

	Actual 1982	Forecast 1983	1984	1985	1986	1987	5 - Yr. Avg.
Energy Sources							
Coal	48%	51%	52%	53%	56%	55%	53%
Nuclear	52	48	47	46	43	44	46
Oil/Gas	—	1	1	1	1	1	1
Total	100%	100%	100%	100%	100%	100%	100%
Fuel Costs per million BTU's							
Coal	$1.33	$1.38	$1.53	$1.56	$1.65	$1.73	
Nuclear	.99	.93	.80	.91	.79	.62	
All Fuels	$1.16	$1.23	$1.27	$1.34	$1.37	$1.36	
Fuel Costs Cents per KWH							
Coal	1.40¢	1.53¢	1.69¢	1.72¢	1.82¢	1.91¢	
Nuclear	1.07	1.00	.86	.98	.85	.67	
All Fuels	1.21¢	1.34¢	1.38¢	1.46¢	1.49¢	1.48¢	

Recent Capacity Additions

Name	Kind	Capacity MW Total	Capacity MW Co. Share	Total Cost (1) (Millions)	Cost /KW	Expended As of 12/31/82 (Millions)	Completion Date
Cooper Gen. Sta. (2)	Nuclear	760	380	$255	$670		1974
Neal Gen. Sta. #3	Coal	515	119	35	292		1975
Council Bluffs Gen. Sta. #3 (3)	Coal	700	327	160	490		1978
Ottumwa Gen. Sta.	Coal	675	101	58	569		1981
Louisa Gen. Sta.	Coal	650	200	189	947	$161	1983
TOTAL			1,127				

(1) Total cost includes AFUDC

(2) The Company has a long term power purchase agreement with the Nebraska Public Power District for one-half of the capacity of Cooper Nuclear Generating Station. The Company has agreed to pay, during the contract period expiring in 2004, one-half of the fixed and operating costs of the plant and its proportionate share of the nuclear fuel costs based upon energy delivered.

(3) Constructed and operated by the company.

Source and Use of Funds for Capital Requirements

(In Millions of Dollars)		Actual 1982	Forecast 1983	1984	1985	1986	1987	Total
Capital Requirements								
Construction Expenditures	(C)							
Iowa Generation		$ 28	$ 18	$ 4	$ 3	$ 3	$ 4	$ 32
Iowa Power		12	12	14	15	16	17	74
Iowa Gas		6	8	7	8	9	9	41
Total Excl. AFUDC		46	38	25	26	28	30	147
Maturities and Sinking Funds	(D)	8	9	24	3	10	33	79
Other Capital Requirements		7	5	6	8	5	1	25
Total Capital Reqmts.		$ 61	$ 52	$ 55	$ 37	$ 43	$ 64	$251
Memo: AFUDC to construction		$ 17	$ 14	—	—	—	—	$ 14
Sources of Capital								
Funds Generated Internally								
Depreciation and Amortization		$ 30	$ 30	$ 32	$ 35	$ 39	$ 45	$181
Deferred tax items	(E)	14	12	12	10	8	6	48
Other, Excludes AFUDC	(F)	(3)	(18)	9	(1)	(3)	(10)	(23)
Total Internal Sources		$ 41	$ 24	$ 53	$ 44	$ 44	$ 41	$206
Funds provided from outside Sources		20	28	2	(7)	(1)	23	45
Total Source of Capital		$ 61	$ 52	$ 55	$ 37	$ 43	$ 64	$251
Internal Funds ÷ Const. Expend.		89%	63%	212%	169%	157%	137%	140%
Funds From Outside Sources								
Long - Term Debt		$ 50	$ —	$ 22	$ —	$ —	$ —	$ 22
Preferred Stock		—	—	—	—	—	—	—
Common Equity		9	8	8	—	—	—	16
Short - Term Debt, Net		(39)	20	(28)	(7)	(1)	23	7
Total		$ 20	$ 28	$ 2	$ (7)	$ (1)	$ 23	$ 45
Short - Term Debt Bal. - Year End		$ —	$ 20	$ —	—	—	$ 7	
Investments Bal. - Year End		$ —	$ —	$ 8	$ 15	$ 16	$ —	

Interest Coverage

	1982	1983	1984	1985	1986	1987
Pretax with AFUDC	2.9	2.9	3.7	4.0	4.2	4.7
Suppl. pretax with AFUDC	2.5	2.5	3.0	3.3	3.5	3.8

Capitalization Ratios - Average (%)

	1982	1983	1984	1985	1986	1987
Total Debt	49	47	45	45	44	44
Preferred Stock	11	11	11	10	11	11
Common Stock	40	42	44	45	45	45
	100	100	100	100	100	100

Notes to Financial Forecast

(A) These projections are based on historical, econometric, and end use considerations.

(B) Net capability at time of peak.

(C) Excluding allowance for Funds Used during Construction (AFUDC).

(D) Reflects anticipated timing of refundings and retirements.

(E) Includes deferred federal income taxes and investment tax credits, both net of flowback amounts.

(F) Includes net change in working capital and other assets.

IOWA POWER AND LIGHT COMPANY
1983 - 1987 FINANCIAL FORECAST

Rate Case Summaries ($ Millions)

Service	Docket No.	Date Filed	Date Final Order	Total Amount Requested	Year	Collection - Actual/Approved: Amount Collected Under Bond	Collection - Actual/Approved: Amount Approved By ISCC
Electric	RPU78 - 27	6/30/78	2/19/82	$27.0	1979	$23.8	$18.1
					1980	29.5	29.5
					1981	29.1	29.1
Gas	RPU78 - 30	8/01/78	2/19/82	$ 4.4	1979	$ 2.5	$ 2.5
					1980	4.0	4.0
					1981	3.8	3.8
Electric	RPU80 - 36	7/01/80	2/19/82	$53.0	1981	$30.9	$16.4
					1982	6.8	6.8
Gas	RPU80 - 36	7/01/80	2/19/82	$ 7.8	1981	$ 4.0	$ 1.3
					1982	1.3	.8
Electric	RPU82 -12	4/13/82		$21.0			
- Interim Rates effective		7/01/82		$14.0	6 mos '82	$ 6.8	
- Expected final settlement				$10.9	5 mos '83	5.6	
Gas	RPU82 -40	8/30/82		$ 5.2			
- Interim Rates effective		10/27/82		$ 2.5	2 mos '82	$ 0.5	
- Expected final settlement				$ 2.1	5 mos '83	1.2	
Electric	RPU83 - 24	6/10/83		[illegible]			
- Interim Rates Requested		*		$56.3			

* Effective upon Louisa Generating Station being placed in service in September.

Electric Rate Increase

The results presented in this forecast reflect the Interim Rates Requested and the phase-in, as proposed by the Company, of a portion of the depreciation and equity return associated with the Louisa Generating Station (LGS) in the first three years of operation.

Following prior principles of the Iowa State Commerce Commission, interim rates reflect a return on common equity of 15% and a so-called excess capacity penalty of $ 2 million. The full request for the prospective period reflects a return on common equity of 16.5% and no penalty.

The phase - in plan has been designed to defer 90%, 70% and 30%, respectively, of the LGS depreciation and equity return during the first three years. This will result in an estimated deferral of $26.8 million of revenue in the first year with a total estimated revenue deferral of $46.3 million by the end of the third year. By the fourth year the full LGS costs are included in revenue along with the first year's amortization of the total deferral. The phase-in plan has been designed to self-destruct after the eighth year, at which time the deferred equity return will have been recovered. The deferred depreciation will be recovered over the remaining life of LGS beginning in the fourth year.

Credit Agreement #9

CREDIT AGREEMENT, dated as of August 1, 1983, between #11
NEBRASKA PUBLIC POWER DISTRICT (herein called the "District") and #12,13
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO (herein called #14
the "Bank"). #(14)

The District desires to provide for future borrowings, and #15,16
the Bank is willing to commit to lend to the District, upon the terms #17
and conditions herein set forth, the aggregate sum of up to #18
$5,000,000, in such installments and at such times as hereinafter #19
provided, to be evidenced by notes of the District therefor. #20

In consideration of the foregoing and the covenants and #21
conditions herein contained, the parties hereto agree as follows: #22,23

1. **Definitions**. The following terms shall, for all pur- #25
poses of this Credit Agreement, have the following meanings: #26

"Act" shall mean the Public Power and Irrigation District #28,29
Law, constituting Article 6 of Chapter 70 of the Revised Statutes of #30
Nebraska, as amended and supplemented. #(30)

"Electric Resolution" shall mean the resolution entitled #31,32
"Electric System Revenue Bond Resolution" adopted by the Board of #33
Directors of the District on August 22, 1968, as supplemented or #34
amended in accordance with the terms thereof. #(34)

"Electric System Bonds" shall mean Electric System Revenue #35,36
Bonds of the District authorized to be issued under the Electric #37
Resolution. #(37)

"Electric System General Reserve Fund" shall mean the #38,39
Electric System General Reserve Fund established in Section 502 of #40
the Electric Resolution. #(40)

"Loans" shall mean the loans provided for in this Credit #41,42
Agreement. #(42)

"Note or Notes" shall mean any note or notes, as the case #43,44
may be, issued pursuant to this Credit Agreement by the District to #45
evidence any Loan. #(45)

"Note Resolution" shall mean the resolution of the District #46,47
entitled "Resolution Authorizing $5,000,000 Bank of Credit of 1983", #48
adopted July 28, 1983 authorizing the issuance of the Notes and the #49
execution and delivery of this Credit Agreement, a true and correct #50
copy of which resolution is annexed hereto as Annex A. #51

2. **Commitment to Lend**. The Bank hereby agrees, upon the terms and conditions herein set forth, to make one or more Loans to the District, in accordance with the provisions of this Credit Agreement, on or before July 31, 1984 in an aggregate principal amount up to, but not exceeding $5,000,000, each Loan to be in the principal amount of not less than $250,000.

3. **Borrowings**. The District shall give the Bank at least two (2) days prior notice of the date and amount of each borrowing hereunder. Each borrowing pursuant thereto shall take place at the principal office of the Bank at LaSalle and Washington Streets, Chicago, Illinois. Not later than 11:00 o'clock A.M. on the date of each borrowing, the Bank shall, subject to the terms of this Credit Agreement, make available to the District, Federal Reserve or other immediately available funds in the principal amount being borrowed, upon delivery to the Bank of a Note in such principal amount.

4. **The Notes**. Each Note shall be designated as "Electric System Note, Series NRC of 1983", shall be payable to the order of American National Bank and Trust Company of Chicago, shall be dated the date of its delivery, shall be payable one year from its date of issue (subject to optional prepayment as provided in Section 7 hereof), and shall bear interest (payable on the first day of each January, April, July and October) on the unpaid principal amount thereof from its date fluctating at the rate per annum equal to 60% of the Bank's prime commercial loan rate on 90-day loans to its most responsible and substantial corporate borrowers in effect from time to time. Such interest shall be computed on the basis of a 365/366-day year.

The Notes shall be executed on behalf on the District by the manual signature of its President, Treasurer or Assistant Treasurer and its corporate seal shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual signature of its Secretary, any Assistant Secretary or any Deputy Assistant Secretary, and shall be otherwise in substantially the form annexed hereto as Annex B.

5. **Commitment Fee**. The District shall pay to the Bank as a commitment fee contemporaneously with the execution of this Credit Agreement the sum of $5,000.

6. **Conditions Precedent to Loans**. The Bank shall not be obligated to make any loan unless at the date specified for the making thereof the District delivers to the Bank:

(a) The opinion of the General Counsel to the District, dated as of such date, to the effect that:

(i) There is no litigation pending in any court, either State or Federal, questioning the creation, organization or existence of the District or the validity of this Credit Agreement or the Note being issued to evidence such Loan; and

(ii) The District has the power to borrow the amount being loaned; to execute and deliver this Credit Agreement; to evidence the Loans by its Notes to be made and delivered in accordance herewith, and to perform and observe all of the terms and conditions of this Credit Agreement on its part to be performed and observed; and

(b) A certificate of the President or General Manager or Treasurer or Assistant Treasurer of the District, dated as of such date, to the effect that the representations and warranties of the District contained in Section 12 of this Credit Agreement are true and correct as of such date; and

(c) A certificate of the President or General Manager or Treasurer or Assistant Treasurer of the District, dated as of such date, setting forth the aggregate amount of bonds and notes of the District that will be outstanding immediately after the issuance of the Note then being issued and stating that no default has occurred in the payment of principal of or interest on any indebtedness for borrowed money of the District which remains uncured; and

(d) The opinion of Messrs. Mudge Rose Guthrie & Alexander, Bond Counsel to the District, dated as of such date, substantially in the form annexed thereto as Annex C; and

(e) A Certificate as to Arbitrage, dated as of such date, in accordance with the provisions of Treasury Regulation Sections 1.103-13, 1.103-14 and 1.103-15 or other applicable Treasury Regulations in effect on such date; and

(f) Such additional certificate, instruments and other documents as the Bank or its counsel may deem necessary to effect good delivery of the Note being delivered on such date or evidence the due performance by the District of the conditions precedent hereunder.

7. **Optional Prepayment**. The District may prepay any Note as a whole or in part, at any time or from time to time, without penalty or premium, by paying to the Bank all or part of the principal amount of the Note to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of a Note shall be made on such date and in such principal amount as shall be specified by the District in a written notice delivered to the Bank not less than 10 days prior thereto. Notice having been given as aforesaid, the principal amount of the Note stated in such notice or the whole thereof, as the case may be, shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being paid; and the amount of principal and interest then due and payable shall be paid

(i) in case the entire unpaid balance of the principal of any Note is #162
to be paid, upon presentation and surrender of such Note to the #163
District or its representative at the principal office of the Bank, #164
and (ii) in case only part of the unpaid balance of principal of any #165
Note is to be paid, upon presentation of such Note at the principal #166
office of the Bank for notation thereon by the Bank of the amount of #167,168
principal and interest on such Note then paid. If on the prepayment #169
date moneys for the payment of the principal amount to be prepaid on #170
such Note, together with interest to the prepayment date on such #171
principal amount, shall have been paid to the Bank as above provided #172
and if notice of prepayment shall have been given to the Bank as #173
above provided, then from and after the prepayment date interest on #174
such principal amount of such Note shall cease to accrue. If said #175
moneys shall not have been so paid on the prepayment date, such prin- #176
cipal amount of such Note shall continue to bear interest until pay- #177
ment thereof at the rate provided for in Section 4 of this Credit #178
Agreement. #179

8. **Application of Note Proceeds**. The proceeds of the #181
Notes shall be used to pay amounts required to be paid by the #182
District as a result of one or more nuclear incidents, as provided in #183
the Price-Anderson Act, as amended (Pub. L. 94-197, as amended and as #184
compiled in 42 U.S.C. Section 2210 and pertinent subsections of 42 #185,186
U.S.C. Section 2014, as amended and certain regulations of the #187
Nuclear Regulatory Commission (10 C.F.R. Part 140, as amended in par- #188
ticular by 42 Fed. Reg. 46-54 (January 3, 1977)) or any act or regu- #189
lation supplemental thereto or amendatory thereof. #190

9. **Payment**. The obligation to pay the principal of and #192
interest on the Notes is a special obligation of the District payable #193
solely from such amounts in the Electric System General Reserve Fund #194,195
as may be available therefor under the District's bond resolutions #196
then outstanding; *provided, however*, that such obligation to pay the #197
principal of and interest on the Notes shall be subject and subordi- #198,199
nated in all respects to the pledge of the Revenues (as defined in #200
the Electric Resolution), moneys, securities and funds created by the #201
Electric Resolution and, *provided further*, that the obligation to pay #202,203
the principal of and interest on the Notes shall be subject and sub- #204
ordinated to any payments which shall at any time be required to be #205
made from Electric System General Reserve Fund pursuant to Section #206
713 of the District's Power Supply System Revenue Bond Resolution, #207
adopted by the Board of Directors of the District on September 29, #208
1972, as supplemented and amended in accordance with the terms #209
thereof. The District shall duly and punctually pay or cause to be #210
paid from the Electric System General Reserve Fund, in Federal #211
Reserve or other immediately available funds, the principal of the #212,213
Notes and the interest thereon at the dates and place and in the #214
manner provided herein and in the Notes according to the true intent #215
and meaning thereof. If the principal of the Notes becomes due and #216
payable on a Saturday or Sunday or a day which is a Bank holiday, #217
such payment shall be made on the next succeeding Bank business day #218
and the extension of time for payment shall be included in computing #219,220
interest in connection with such payment. #(220)

10. **Rate Covenant**. The District covenants and agrees with the Bank that so long as any credit shall be avilable hereunder or any Note or interest thereon is unpaid it shall comply for the benefit of the Bank with requirements of Section 712 of the Electric Resolution.

11. **Negative Covenants of the District**. The District, if and so long as credit shall be available hereunder or any Note or interest thereon is unpaid, will not alter, amend or repeal the Note Resolution, or take any action impairing the authority thereby or hereby given with respect to the issuance and payment of the Notes.

12. **Representations and Warranties**. The District represents and warrants that:

(a) The District has the power to borrow the amount provided for in this Credit Agreement; to execute and deliver this Credit Agreement; to evidence the Loans by its Notes to be made and delivered in accordance with the provisions hereof, and to perform and observe all of the terms and conditions of this Credit Agreement on its part to be performed and observed;

(b) The making and performance by the District of this Credit Agreement will not violate any provision of the Act, or any bond or note resolution of the District, or any regulation, order or decree of any court, and will not result in a breach of any of the terms of the petition for creation, as amended, of the District or any agreement or instrument to which the District is a party or by which the District is bound; and

(c) The District, by the Note Resolution, has duly authorized the borrowing of the amount provided for in this Credit Agreement, the execution and delivery of this Credit Agreement, and the making and delivery of the Notes to the Bank as herein provided; and to that end the District warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Loans as herein provided.

13. **Acceleration of Due Date Upon Default**. If one or more of the following events of default shall occur and be continuing:

(a) Default shall occur and be continuing in the payment when due of any principal or interest on any Note;

(b) Any representation or warranty made herein or pursuant hereto shall prove to be untrue in any material respect;

(c) Default shall occur in the performance of any of the other covenants or agreements of the District contained herein, and the act or omission creating such default shall continue for a period of 30 days after written notice thereof shall have been given to the District; or

(d) Default shall be made in the payment of the principal of or interest on any Electric System Bonds when due, and as a result of such default, the maturity of such Bonds is accelerated;

then, and in any such event, the Bank shall have the right to declare the principal of and all interest then accrued on all Notes to be due and payable immediately, and upon such declaration the Notes and the interest accrued thereon shall become due and payable, anything in this Credit Agreement or in the Notes contained to the contrary notwithstanding.

14. **Defeasance**. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Bank the principal of and interest on the Notes at the times and in the manner stipulated herein, then the covenants, agreements and other obligations of the District hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. If moneys sufficient to pay the principal amount of the Notes and interest thereon until maturity or a date fixed for prepayment shall have been paid to the Bank for application to such purpose, the Notes and the interest thereon shall be deemed to have been paid within the meaning and with the effect expressed in this Section. Amounts so set aside and held may be invested in obligations of, or guaranteed by, the United States of America, *provided, however*, that said obligations shall mature not later than the maturity date of the Notes. All earnings from such investments shall be paid over to the District, as received, free and clear of any trust, lien or pledge.

15. **Notices**. All notices under this Credit Agreement shall be in writing and written notices shall be deemed to have been duly given if delivered or mailed by registered mail, in the case of the District, at Box 499, Columbus, Nebraska 68601, Attention: General Manager, and in the case of the Bank, at its principal office at LaSalle and Washington Streets, Chicago, Illinois 60690, Attention: James Tucker.

16. **Counterparts**. This Credit Agreement may be executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District and the Bank have caused #323,32
this Credit Agreement to be duly signed on their respective behalfs #325
by their officers thereunto duly authorized, all as of the date and #326
year first above written. #(326)

NEBRAKSA PUBLIC POWER DISTRICT #329

[SEAL] #330

By____________________ #332
Assistant Treasurer #333

Attest: #335

____________________ #337
Assistant Secretary #338

AMERICAN NATIONAL BANK AND #340
TRUST COMPANY OF CHICAGO #(340)

[SEAL] #341

By____________________ #343
Vice President #344

Attest: #346

____________________ #348
Assistant Secretary #349

Resolution Authorizing $5,000,000 Bank Credit of 1983 #356,357

Be it Resolved, by the Board of Directors of Nebraska #360
Public Power District, as follows: #361

SECTION 1. Pursuant to the Public Power and Irrigation #363
District Law, Article 6 of Chapter 70 of the Revised Statutes of #364,365
Nebraska, as amended and supplemented (herein called the "Act"), #366
Nebraska Public Power District (herein call the "District") shall #367
enter into a credit agreement (herein called the "Credit Agreement") #368,369
for one or more loans in an aggregate principal amount up to, but not #370
exceeding, $5,000,000 from American National Bank and Trust Company #371
of Chicago (herein called the "Bank") in substantially the form sub- #372,373
mitted at this meeting, to which shall be annexed, as Annex A, a copy #374
of this resolution adopted by the District. Each loan shall be made #375
in the principal amount of not less than $350,000 on any date on or #376
before July 31, 1984; provided that the District shall give the Bank #377
two (2) days prior notice of the date and amount of each borrowing #378
and shall be evidence by an Electric System Note, Series NRC of 1983 #379,380
(herein called a "Note"; all Notes made under the Credit Agreement #381
are herein collectively called the "Notes") of the District in the #382
aggregate principal amount of each loan, which Note shall be issued #383
and delivered by the District to the Bank in the principal amount and #384
on the date of the loan evidenced thereby. Each Note shall be pay- #385,386
able to the order of the Bank from the sources set out in Section 9 #387
of the Credit Agreement, shall be dated the date of its delivery, #388
shall be payable one year from its date of issue (subject to optional #389
prepayment as a whole or in part, at any time or from time to time, #390
without penalty or premium, as provided in the Credit Agreement) and #391,392
shall bear interest (payable on the first day of each January, April, #393
July and October) on the unpaid principal amount thereof from its #394
date fluctuating at the rate per annum equal to 60% of the Bank's #395
prime commercial loan rate on 90-day loans to its most responsible #396
and substantial corporate borrowers in effect from time to time. #397
Interest is to be computed on the basis of a 365/366-day year. Each #398
Note shall be in substantially the form set forth in Annex B to the #399,400
Credit Agreement. #(400)

SECTION 2. The proceeds of the Notes shall be applied by #402
the District to the purpose and in the manner provided in Section 8 #403,404
of the Credit Agreement. #(404)

SECTION 3. The President or Treasurer or Assistant #406
Treasurer of the District are each hereby authorized to execute the #407,408
Credit Agreement, and the Secretary, any Assistant Secretary or any #409
Deputy Assistant Secretary of the District are each hereby authorized #410
to cause the seal of the District to be affixed on the Credit #411
Agreement and to attest the same, and the President or Treasurer or #412

Assistant Treasurer are each hereby authorized to deliver the #413
executed Credit Agreement on behalf of the District. #414

SECTION 4. The President or Treasurer or Assistant #416
Treasurer of the District are each hereby authorized to execute the #417,418
Notes by manual signature and the Secretary, any Assistant Secretary #419
or any Deputy Assistant Secretary are each hereby authorized to cause #420
the seal of the District to be affixed, imprinted, engraved or other- #421,422
wise reproduced on the Notes and to attest the same. Any of the #423
foregoing officers or the General Manager are hereby authorized to #424
deliver the executed Notes in accordance with the provisions of the #425
Credit Agreement. #426

SECTION 5. The President or Treasurer or Assistant #428
Treasurer of the District and its General Manager, Secretary, Deputy #429,430
General Manager, any Assistant General Manager, any Assistant #(430)
Secretary or any Deputy Assistant Secretary are, and each of them #431
hereby is, authorized to do and perform all things and to execute all #432,433
papers in the name of the District or otherwise, as they deem advis- #434
able, and to make all payments, necessary or covenient in their #435
respective opinions, to the end that the District may carry out the #436
objects of this resolution and its obligations under the terms of the #437
Credit Agreement and of the Notes. #438

ANNEX B #441

(FORM OF NOTE) #444

NEBRASKA PUBLIC POWER DISTRICT #446

ELECTRIC SYSTEM NOTE, SERIES NRC OF 1983 #448

No. $ #451

FOR VALUE RECEIVED, the undersigned, NEBRASKA PUBLIC POWER #454,455
DISTRICT (the "District"), a public corporation and political subdi- #456
vision organized and existing under and by virtue of the laws of the #457
State of Nebraska, hereby promises to pay to the order of American #458
National Bank and Trust Company of Chicago (the "Bank") on #459
, 19 upon presentation and surrender of this Note at the #460
principal office of the Bank, the principal sum of Dollars #461,462
($), in lawful money of the United States of America, and to pay #463
interest (payable on _ , 19 and quarterly thereafter on the #464
first day of each January, April, July and October) on said principal #465
sum at said office in like money from the date hereof fluctuating at #466,467
the rate per annum equal to 60% of the Bank's prime commercial loan #468
rate on 90-day loans to its most responsible and substantial corpo- #469
rate borrowers in effect from time to time. Such interest shall be #470
computed on the basis of a 365/366-day year. #471

This Note is a special obligation of the District and is #472,473
one of a duly authorized issue of notes of the District (the "Notes") #474
issued and to be issued under and pursuant to the Public Power and #475
Irrigation District Law of Nebraska, as amended and supplemented #476
(herein called the "Act"), and under and pursuant to a resolution of #477
the District, adopted July 28, 1983, entitled "Resolution Authorizing #478,479
$5,000,000 Bank Credit of 1983" (the "Note Resolution"), and under #480
and pursuant to a Credit Agreement (the "Credit Agreement"), dated as #481
of August 1, 1983, by and between the District and the Bank. #482

The obligation to pay the principal of and interest on this #483,484
Note is a special obligation of the District payable solely from such #485
amounts in the Electric System General Reserve Fund (as defined in #486
the Credit Agreement) as may be available therefor under the #487
District's Bond resolutions then outstanding; provided, however that #488,489
such obligation to pay the principal of and interest on this Note is #490
subject and subordinated in all respects to the pledge of the reve- #491
nues, moneys, securities and funds created by the Electric Resolution #492
(as defined in the Credit Agreement); and, provided further, that the #493,494
obligation to pay the principal of and interest on this Note is #495
subject and subordinated to any payments which shall at any time be #496

required to be made from the Electric System General Reserve Fund #497
pursuant to Section 713 of the District's Power Supply System Revenue #498,49
Bond Resolution, adopted by the Board of Directors of the District on #500
September 29, 1972, as supplemented and amended in accordance with #501
the terms thereof. #(501)

This Note is subject to the terms and conditions contained #502,50
in the Note Resolution and the Credit Agreement, copies of which are #504
on file at the principal office of the District, and reference is #505
made thereto for a complete statement of such terms and conditions. #506

The District shall have the right to prepay this Note as a #507,50
whole or in part, at any time or from time to time, without penalty #509
or premium, in accordance with the terms of the Credit Agreement. #510
The prepayment date and the principal amount of the Note to be pre- #511
paid shall be specified by the District in a written notice to the #512
Bank not less than 10 days prior to any prepayment. If on the pre- #513,51
payment date moneys for the payment of the principal amount of this #515
Note to be prepaid, together with interest to the prepayment date on #516
such principal amount, shall have been paid to the Bank as above pro- #517,51
vided, then from and after the prepayment date interest on such prin- #519
cipal amount of this Note shall cease to accrue. If said moneys #520
shall not have been so paid on the prepayment date, such principal #521
amount of this Note shall continue to bear interest as provided above #522
until payment thereof. #(522)

This Note is not an obligation of the State of Nebraska and #523,524
the Act provides that the State of Nebraska shall never pledge its #525
credit or funds, or any part thereof, for the payment or settlement #526
of any indebtedness whatsoever of the District. #527

IN WITNESS WHEREOF, Nebraska Public Power District has #529,530
caused this Note to be signed in its name and on its behalf by its #531
President or Treasurer or Assistant Treasurer, and its official seal #532
to be hereunto affixed and attested by its Secretary or _ #533,534
Secretary, as of the day of _ , 19 . #535

NEBRASKA PUBLIC POWER DISTRICT #538

By______________________________ #540
#541

[SEAL]

Attest: #543

______________________________ #545

ANNEX C #548

_ , 19 #551

Nebraska Public Power District #554
Columbus, Nebraska #555

American National Bank and Trust Company of Chicago #557
Chicago, Illinois #558

Gentlemen: #560

We have examined the record of proceedings relating to the #562,563
issuance of the $ Electric System Note, Series NRC of 1983, No. #564
, dated , 19 (the "Note"), of Nebraska Public Power #565
District (the "District"), a body corporate and politic, constituting #566
a public corporation and political subdivision of the State #567
Nebraska. #568

The Note is issued under and pursuant to Chapter 70, #569
Article 6, of the Revised Statutes of the State of Nebraska, as #570,571
amended (the "Act"), and under and pursuant to a Credit Agreement #572
(the "Credit Agreement"), between the District and American National #573
Bank and Trust Company of Chicago (the "Bank"), dated as of August 1, #574,575
1983, authorized by a resolution (the "Note Resolution") of the #576
District adopted July 28, 1983 and entitled "Resolution Authorizing #577
$5,000,000, Bank Credit of 1983". #578

The Note is payable to the order of the Bank, matures on #579,580
, 19 (subject to prepayment in accordance with the terms of #581
the Credit Agreement), and bears interest (payable on , 19 #582
and quarterly thereafter on the first day of each January, April, #583
July and October) from its date fluctuating at the rate per annum #584
equal to 60% of the Bank's prime commercial loan rate on 90-day loans #585
to its most responsible and substantial corporate borrowers in effect #586,587
from time to time. #(587)

The obligation to pay the principal of and interest on the #588,589
Note is a special obligation of the District payable solely from such #590
amounts in the Electric System General Reserve Fund (as defined in #591
the Credit Agreement) as may be available therefor under the #592
District's bond resolutions then outstanding; _provided_, _however_, that #593,594
such obligation to pay the principal of and interest on the Note is #595
subject and subordinated in all respects to the pledge of the #596
Revenues, moneys, securities and funds created by the Electric #597
Resolution (as defined in the Credit Agreement); and _provided_ #598
further, that the obligation to pay the principal of and interest on #599,600
the Note is subject and subordinated to any payments which shall at #601
any time be required to be made from the Electric System General #602
Reserve Fund pursuant to Section 713 of the District's Power Supply #603
System Revenue Bond Resolution, adopted by the Board of Directors of #604

the District on September 29, 1972, as supplemented and amended in #605,606
accordance with the terms thereof. #(606)

We are of the opinion that: #607

1. The District is duly created and validly existing #609
under the provisions of the Act, with power to adopt the Note #610,611
Resolution, to enter into the Credit Agreement, to issue the Note #612
thereunder and to make and perform the covenants contained in the #613
Credit Agreement. #(613)

2. The Note Resolution has been duly adopted by the #615
District, is in full force and effect and is valid and binding on the #616,617
District and enforceable in accordance with its terms, and the Credit #618
Agreement has been duly authorized and executed by the District, is #619
in full force and effect, is valid and binding upon the District and #620
enforceable in accordance with its terms. #621

3. The Note has been duly authorized and issued by the #623
District in accordance with law and in accordance with the Note #624,625
Resolution and the Credit Agreement, and is valid, binding and direct #626
obligation of the District enforceable in accordance with its terms #627
and entitled to the benefit of the Act and of the Credit Agreement. #628

4. Under the existing statute, regulations and court #630
decisions, interest on the Note is exempt from Federal income taxes. #631,632

The opinions contained in paragraphs 2 and 3 above are #634,635
qualified to the extent that the enforceability of the Note #636
Resolution, the Credit Agreement and the Note, respectively, may be #637
limited by any applicable bankruptcy, moratorium or similar laws #638
relating to the enforcement of creditors' rights. #639

We have examined the Note, as executed, and, in our opin- #641,642
ion, the form of said Note and its execution are regular and proper. #643

Very truly yours, #646