(A free translation of the original in Portuguese)

FEDERAL PUBLIC SERVICE
CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
QUARTERLY INFORMATION - ITR
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY

September 30, 2010

External Disclosure

Brazilian Corporate Law

REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY. COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 – IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	**TRACTEBEL ENERGIA S.A.**	**02.474.103/0001-19**
4 - NIRE (Corporate Registry ID)		
42300024384		

01.02 - HEADQUARTERS

1 - ADDRESS			2 - DISTRICT	
RUA: ANTÔNIO DIB MUSSI, Nº 366			CENTRO	
3 - ZIP CODE	4 - CITY			5 - STATE
88015-110	FLORIANÓPOLIS			SC
6 - AREA CODE	7 - TELEPHONE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEX
048	3221-7221	-	-	
11 - AREA CODE	12 - FAX	13 - FAX	14 - FAX	
048	3221-7002	-	-	
15 - E-MAIL				
previtali@tractebelenergia.com.br				

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

1- NAME				
EDUARDO ANTONIO GORI SATTAMINI				
2 - ADDRESS			3 - DISTRICT	
RUA: ANTÔNIO DIB MUSSI, Nº 366			CENTRO	
4 - ZIP CODE	5 - CITY			6 - STATE
88015-110	FLORIANÓPOLIS			SC
7 - AREA CODE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEPHONE	11 - TELEX
048	3221-7060	-	-	
12 - AREA CODE	13 - FAX	14 - FAX	15 - FAX	
048	3221-7002	-	-	
16 - E-MAIL				
sattamini@tractebelenergia.com.br				

01.04 - ITR REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/1/2010	12/31/2010	3	7/1/2010	9/30/2010	2	4/1/2010	6/30/2010

09 - INDEPENDENT AUDITOR	10 - CVM CODE
DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES	00385-9
11 - TECHNICIAN IN CHARGE	12 – TECHNICIAN'S CPF (Individual Taxpayer's Register)
PAULO ROBERTO MARQUES GARRUCHO	373.525.127-72

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

01.05 - CAPITAL STOCK

Number of Shares (Units)	1 – CURRENT QUARTER 9/30/2010	2 – PREVIOUS QUARTER 6/30/2010	3 – SAME QUARTER, PREVIOUS YEAR 9/30/2009
Paid-up Capital			
1 - Common	652,742,192	652,742,192	652,742,192
2 - Preferred	0	0	0
3 - Total	652,742,192	652,742,192	652,742,192
Treasury Stock			
4 - Common	0	0	0
5 - Preferred	0	0	0
6 - Total	0	0	0

01.06 - COMPANY PROFILE

1 - TYPE OF COMPANY Commercial, Industrial and Other Types of Company
2 - STATUS Operational
3 - NATURE OF OWNERSHIP Domestic private company
4 - ACTIVITY CODE 1120 - Electric power
5 - MAIN ACTIVITY ELECTRIC POWER GENERATION AND TRADING
6 - CONSOLIDATION TYPE Total
7 - TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ (Corporate Taxpayer's ID)	3 - COMPANY NAME

01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE AND CLASS OF SHARE	7 - AMOUNT PER SHARE
01	RCA*	8/12/2010	Dividend	10/15/2010	Common shares	0.4383049909
02	RCA*	11/5/2010	Interest on Equity		Common shares	0.3370396501

* Board of Directors' Meeting

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FEDERAL PUBLIC SERVICE
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QUARTERLY INFORMATION – ITR
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September 30, 2010

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01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL STOCK (R$ thousand)	4 - AMOUNT OF CHANGE (R$ thousand)	5 - NATURE OF CHANGE	7 - NUMBER OF SHARES ISSUED (Units)	8 - SHARE PRICE WHEN ISSUED (In Reais)

01.10 - INVESTOR RELATIONS OFFICER

1 - DATE	2 - SIGNATURE
11/5/2010	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

02.01 - BALANCE SHEET - ASSETS (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 9/30/2010	4 – 6/30/2010
1	Total Assets	8,358,404	7,520,961
1.01	Current Assets	1,579,896	1,260,280
1.01.01	Available Cash	931,160	662,120
1.01.01.01	Cash and Cash Equivalents	931,160	662,120
1.01.02	Credits	559,909	511,248
1.01.02.01	Clients	467,633	413,554
1.01.02.01.01	Consumers, Concessionaries and Permittees	467,633	413,554
1.01.02.02	Sundry Credits	92,276	97,694
1.01.02.02.01	Dividends Receivable from Subsidiaries	1,628	7,418
1.01.02.02.02	Tax Receivables	54,555	55,936
1.01.02.02.03	Collateral and Restricted Deposits	9,377	12,307
1.01.02.02.04	Other	26,716	22,033
1.01.03	Inventories	40,672	37,450
1.01.04	Other	48,155	49,462
1.01.04.01	Available-for-Sale Assets	23,441	23,111
1.01.04.02	Prepaid Expenses	5,080	7,194
1.01.04.03	Deferred Tax Assets	16,231	15,710
1.01.04.04	Advance to R&D Entities	3,403	3,447
1.02	Noncurrent Assets	6,778,508	6,260,681
1.02.01	Long-term Assets	387,267	518,015
1.02.01.01	Sundry Credits	116,782	116,534
1.02.01.01.01	Sale of Assets and Rights	86,886	86,886
1.02.01.01.02	Tax Receivables	29,896	29,648
1.02.01.02	Credits with Related Parties	6,105	27,563
1.02.01.02.01	Direct and Indirect Associated Companies	0	0
1.02.01.02.02	Subsidiaries	6,105	27,563
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	264,380	373,918
1.02.01.03.01	Judicial Deposits	61,004	168,728
1.02.01.03.02	Deferred Tax Assets	202,893	202,079
1.02.01.03.03	Other	483	3,111
1.02.02	Permanent Assets	6,391,241	5,742,666
1.02.02.01	Investments	3,165,782	2,479,083
1.02.02.01.01	In Direct and Indirect Associated Companies	0	0
1.02.02.01.02	In Direct and Indirect Associated Companies - Goodwill	0	0
1.02.02.01.03	In Subsidiaries	3,016,981	2,109,711
1.02.02.01.04	In Subsidiaries – Goodwill	117,989	34,004
1.02.02.01.05	Other Investments	30,812	30,812
1.02.02.01.06	Advance Payments for Investment Acquisitions	0	304,556
1.02.02.02	Property, Plant and Equipment	3,207,361	3,245,910
1.02.02.03	Intangible Assets	18,098	17,673
1.02.02.04	Deferred Charges	0	0

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02.02 - BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 – DESCRIPTION	3 – 9/30/2010	4 – 6/30/2010
2	Total Liabilities	8,358,404	7,520,961
2.01	Current Liabilities	2,188,822	1,399,100
2.01.01	Loans and Financing	61,532	66,431
2.01.02	Debentures	826,182	778,696
2.01.03	Suppliers	177,411	170,423
2.01.04	Taxes, Fees and Contributions	354,840	241,098
2.01.05	Dividends Payable	286,100	1,302
2.01.05.01	Dividends and Interest on Equity	286,100	1,302
2.01.06	Provisions	68,029	56,748
2.01.06.01	Estimated Obligations	56,469	44,188
2.01.06.02	Provision for Contingencies	11,560	12,560
2.01.07	Debts with Related Parties	327,710	0
2.01.07.01	Related Parties	327,710	0
2.01.08	Other	87,018	84,402
2.01.08.01	Obligations with Research and Development Program	11,739	14,928
2.01.08.02	Concession Fees Payable	1,963	1,922
2.01.08.03	Post-Employment Benefits	25,679	26,369
2.01.08.04	Other	47,637	41,183
2.02	Noncurrent Liabilities	1,930,169	1,920,411
2.02.01	Long-term Liabilities	1,930,169	1,920,411
2.02.01.01	Loans and Financing	231,601	237,077
2.02.01.02	Debentures	843,040	845,800
2.02.01.03	Provisions	77,800	75,829
2.02.01.03.01	Estimated Obligations	2,421	2,207
2.02.01.03.02	Provisions for Contingencies	75,379	73,622
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	777,728	761,705
2.02.01.06.01	Obligations with Research and Development Program	35,247	31,180
2.02.01.06.02	Concession Fees Payable	349,990	336,216
2.02.01.06.03	Post-Employment Benefits	354,183	354,923
2.02.01.06.04	Deferred Tax Liabilities	36,535	36,535
2.02.01.06.05	Other	1,773	2,851
2.03	Deferred Income	0	0
2.05	Shareholders' Equity	4,239,413	4,201,450
2.05.01	Paid-in Capital Stock	2,445,766	2,445,766
2.05.02	Capital Reserves	91,695	91,695
2.05.03	Revaluation Reserves	0	0
2.05.03.01	Own Assets	0	0
2.05.03.02	Subsidiaries/Direct and Indirect Associated Companies	0	0
2.05.04	Profit Reserves	1,143,806	1,143,806

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02.02 - BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 9/30/2010	4 – 6/30/2010
2.05.04.01	Legal	361,974	361,974
2.05.04.02	Statutory	0	0
2.05.04.03	For Contingencies	0	0
2.05.04.04	Unrealized Profit	0	0
2.05.04.05	Profit Retention	781,832	781,832
2.05.04.06	Special Reserve for Undistributed Dividends	0	0
2.05.04.07	Other Profit Reserves	0	0
2.05.05	Assets Valuation Adjustments	0	0
2.05.05.01	Securities Adjustments	0	0
2.05.05.02	Accumulated Translation Adjustments	0	0
2.05.05.03	Business Combination Adjustments	0	0
2.05.06	Retained Earnings/Accumulated Losses	558,146	520,183
2.05.07	Advance for Future Capital Increase	0	0

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01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

03.01 – STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
3.01	Gross Revenue from Sales and/or Services	920,413	2,532,004	789,699	2,332,238
3.01.01	Electric Power Supply	707,920	2,136,489	690,094	2,058,435
3.01.02	Electric Power Provision	73,448	210,209	58,570	169,546
3.01.03	Transactions within CCEE	106,702	136,314	22,316	29,973
3.01.04	Energy Exports	22,741	29,241	13,822	60,264
3.01.05	Other Revenues	9,602	19,751	4,897	14,020
3.02	Gross Revenue Deductions	(90,906)	(249,055)	(73,333)	(220,983)
3.02.01	PIS and COFINS (Taxes on Revenue)	(69,093)	(188,966)	(58,400)	(171,048)
3.02.02	ICMS (State VAT)	(13,766)	(38,435)	(8,244)	(30,097)
3.02.03	ISS (Service Tax)	(327)	(523)	(105)	(279)
3.02.04	Research and Development	(7,720)	(21,131)	(6,584)	(19,559)
3.03	Net Revenue from Sales and/or Services	829,507	2,282,949	716,366	2,111,255
3.04	Cost of Goods and/or Services Sold	(270,952)	(758,340)	(246,086)	(815,820)
3.04.01	Electricity Purchased for Resale	(51,394)	(147,830)	(51,507)	(149,561)
3.04.02	Transactions within CCEE	44	(658)	0	(121,881)
3.04.03	Electric Grid Usage Charges	(53,214)	(164,268)	(55,699)	(161,705)
3.04.04	Electricity Production Cost	(164,046)	(439,845)	(137,509)	(375,806)
3.04.05	Cost of Services Rendered	(2,342)	(5,739)	(1,371)	(6,867)
3.05	Gross Income	558,555	1,524,609	470,280	1,295,435
3.06	Operating Revenues/Expenses	(76,863)	(249,317)	(47,814)	(152,461)
3.06.01	Selling	(3,287)	(9,898)	(3,106)	(9,013)
3.06.02	General and Administrative	(40,319)	(114,421)	(38,664)	(105,017)
3.06.03	Financial	(48,782)	(168,388)	(28,598)	(97,372)
3.06.03.01	Financial Revenues	27,988	74,184	10,151	48,413
3.06.03.02	Financial Expenses	(76,770)	(242,572)	(38,749)	(145,785)

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

03.01 – STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
3.06.04	Other Operating Revenues	1,863	47,174	6,899	4,850
3.06.04.01	Reversal of Operating Provision, Net	897	53	3,236	0
3.06.04.02	Lawsuit Favorable Results	0	45,803	0	0
3.06.04.03	Other	966	1,318	3,663	4,850
3.06.05	Other Operating Expenses	0	0	0	(15,479)
3.06.05.01	Recording of Operating Provisions, Net	0	0	0	(15,479)
3.06.06	Equity in the Earnings of Subsidiary and Associated Companies	13,662	(3,784)	15,655	69,570
3.06.06.01	Equity in Shareholding	13,979	(1,689)	15,655	69,570
3.06.06.02	Goodwill Amortization	(317)	(2,095)	0	0
3.07	Operating Income	481,692	1,275,292	422,466	1,142,974
3.08	Non-operating Income	0	0	0	0
3.08.01	Revenues	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Income before Taxes/Holdings	481,692	1,275,292	422,466	1,142,974
3.10	Provision for Income and Social Contribution Taxes	(158,964)	(423,801)	(136,766)	(365,389)
3.10.01	Income Tax	(116,425)	(310,794)	(100,059)	(267,239)
3.10.02	Social Contribution Tax	(42,539)	(113,007)	(36,707)	(98,150)
3.11	Deferred Income Tax	1,335	(7,245)	31	5,297
3.11.01	Income Tax	982	(5,327)	23	3,895
3.11.02	Social Contribution Tax	353	(1,918)	8	1,402
3.12	Statutory Profit Sharing/Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Equity	0	0	0	0
3.15	Income/Loss for the Period	324,063	844,246	285,731	782,882

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03.01 – STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
	NUMBER OF SHARES EX-TREASURY (Units)	652,742,192	652,742,192	652,742,192	652,742,192
	EARNINGS PER SHARE (Reais)	0.49646	1.29338	0.43774	1.19937
	LOSS PER SHARE (Reais)				

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

04.01 – STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
4.01	Net Cash from Operating Activities	622,483	1,082,197	375,610	727,310
4.01.01	Cash generated in Operations	431,811	1,113,534	297,471	869,515
4.01.01.01	Net income for the Period	324,063	844,246	285,731	782,882
4.01.01.02	Depreciation and Amortization	56,436	167,513	53,720	158,702
4.01.01.03	Equity in Shareholding	(13,979)	1,689	(15,655)	(69,570)
4.01.01.04	Monetary and Exchange Variation, net	3,585	23,499	(23,970)	(75,886)
4.01.01.05	Net Interest Rates	62,208	64,697	7,155	65,783
4.01.01.06	Operating Provisions, Net	1,561	4,662	(6,678)	16,510
4.01.01.07	Deferred Income and Social Contribution Taxes	(1,335)	7,245	(31)	(5,297)
4.01.01.08	Other	(728)	(17)	(2,801)	(3,609)
4.01.02	Variation in Assets and Liabilities	190,672	(31,337)	78,139	(142,205)
4.01.02.01	Consumers, Concessionaires and Permittees	(54,079)	(112,957)	(36,228)	(58,336)
4.01.02.02	Tax Receivables	1,035	(41,591)	6,995	3,236
4.01.02.03	Collaterals and Restricted/Judicial Deposits	114,439	141,977	2,388	(18,980)
4.01.02.04	Inventories	(3,222)	(1,253)	(1,692)	11,634
4.01.02.05	Prepaid Expenses	2,114	(1,240)	2,494	(2,196)
4.01.02.06	Suppliers	6,988	6,392	(16,798)	12,408
4.01.02.07	Taxes, Fees and Contributions	113,465	(27,395)	105,856	(57,970)
4.01.02.08	Estimated Obligations	12,489	14,353	353	5,476
4.01.02.09	Post-Employment Benefits	(7,699)	(23,235)	(9,576)	(27,317)
4.01.02.10	Provision for Contingencies	(474)	(2,577)	(560)	(8,513)
4.01.02.11	Obligations with Research and Development Program	878	3,925	903	(10,368)
4.01.02.12	Financial Comp. for Usage of Water Resources	(10)	(625)	22,371	6,175
4.01.02.13	Other	4,748	12,889	1,633	2,546
4.01.03	Other	0	0	0	0

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04.01 – STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
4.02	Net Cash from Investment Activities	(361,235)	(909,334)	(32,891)	(363,535)
4.02.01	Increase in Investments	(178,894)	(381,847)	(8,138)	(284,106)
4.02.02	Investment in Property, Plant and Equipment	(16,617)	(60,005)	(24,479)	(83,105)
4.02.03	Investment in Intangible Assets	(1,779)	(3,910)	(274)	(395)
4.02.04	Advances for Investment Acquisitions	(169,735)	(474,291)	0	0
4.02.05	Dividends Received from Subsidiaries	5,790	10,719	0	4,071
4.03	Net Cash from Financing Activities	7,792	(335,542)	(333,431)	(379,406)
4.03.01	Loans Payment, Financing and Debentures	(12,420)	(114,942)	36,197	(762,552)
4.03.02	Concession Fee Payments	(465)	(1,393)	(467)	(1,400)
4.03.03	Related Parties	21,979	32,215	(21,300)	(20,925)
4.03.04	Loans and Financing	0	0	0	900,612
4.03.05	Payment of Dividends and Interest on Equity	(1,302)	(251,422)	(347,861)	(495,141)
4.04	Exchange Variation on Cash and Cash Equivalents	0	0	0	0
4.05	Increase (Decrease) in Cash and Cash Equivalents	269,040	(162,679)	9,288	(15,631)
4.05.01	Opening Balance of Cash and Cash Equivalents	662,120	1,093,839	293,701	318,620
4.05.02	Closing Balance of Cash and Cash Equivalents	931,160	931,160	302,989	302,989

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

05.01 – STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 7/1/2010 TO 9/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450
5.04	Net Income/Loss for the Period	0	0	0	0	324,063	0	324,063
5.05	Allocations	0	0	0	0	(286,100)	0	(286,100)
5.05.01	Dividends	0	0	0	0	(286,100)	0	(286,100)
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	558,146	0	4,239,413

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

05.02 – STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 1/12010 TO 9/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.04	Net Income/Loss for the Period	0	0	0	0	844,246	0	844,246
5.05	Allocations	0	0	0	0	(286,100)	0	(286,100)
5.05.01	Dividends	0	0	0	0	(286,100)	0	(286,100)
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Reduction of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	558,146	0	4,239,413

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

08.01 – CONSOLIDATED BALANCE SHEET - ASSETS (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 9/30/2010	4 – 6/30/2010
1	Total Assets	11,665,761	9,536,118
1.01	Current Assets	1,957,829	1,546,406
1.01.01	Available Cash	1,174,420	861,082
1.01.01.01	Cash and Cash Equivalents	1,174,420	861,082
1.01.02	Credits	683,153	589,190
1.01.02.01	Clients	550,184	459,277
1.01.02.01.01	Consumers, Concessionaries and Permittees	550,184	459,277
1.01.02.02	Sundry Credits	132,969	129,913
1.01.02.02.02	Tax Receivables	92,183	94,330
1.01.02.02.03	Collaterals and Restricted Deposits	16,914	16,429
1.01.02.02.04	Other	23,872	19,154
1.01.03	Inventories	44,409	41,283
1.01.04	Other	55,847	54,851
1.01.04.01	Available-for-Sale Assets	23,057	23,057
1.01.04.02	Prepaid Expenses	10,069	9,155
1.01.04.03	Deferred Tax Assets	19,318	19,192
1.01.04.04	Advance to R&D Entities	3,403	3,447
1.02	Noncurrent Assets	9,707,932	7,989,712
1.02.01	Long-term Assets	639,102	664,166
1.02.01.01	Sundry Credits	324,008	241,853
1.02.01.01.01	Tax Receivables	185,814	103,799
1.02.01.01.02	Collaterals and Restricted Deposits	49,459	49,319
1.02.01.01.03	Sale of Assets and Rights	86,886	86,886
1.02.01.01.04	Other	1,849	1,849
1.02.01.02	Credits with Related Parties	0	0
1.02.01.02.01	Direct and Indirect Associated Companies	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	315,094	422,313
1.02.01.03.01	Judicial Deposits	63,130	169,487
1.02.01.03.02	Deferred Tax Assets	231,542	232,375
1.02.01.03.03	Other	20,422	20,451
1.02.02	Permanent Assets	9,068,830	7,325,546
1.02.02.01	Investments	33,945	338,339
1.02.02.01.01	In Direct and Indirect Associated Companies	0	0
1.02.02.01.02	In Subsidiaries	0	0
1.02.02.01.03	Other Investments	33,945	33,783
1.02.02.01.06	Advances for Investment Acquisitions	0	304,556
1.02.02.02	Property, Plant and Equipment	8,941,408	6,895,372
1.02.02.03	Intangible Assets	93,477	91,835
1.02.02.04	Deferred Charges	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

08.02 – CONSOLIDATED BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 9/30/2010	4 – 6/30/2010
2	Total Liabilities	11,665,761	9,536,118
2.01	Current Liabilities	2,559,046	1,702,321
2.01.01	Loans and Financing	174,605	173,478
2.01.02	Debentures	837,740	788,892
2.01.03	Suppliers	319,061	262,180
2.01.04	Taxes, Fees and Contributions	381,240	270,150
2.01.05	Dividends Payable	286,100	1,302
2.01.05.01	Dividends and Interest on Equity	286,100	1,302
2.01.06	Provisions	70,846	58,764
2.01.06.01	Estimated Obligations	59,188	46,106
2.01.06.02	Provision for Contingencies	11,658	12,658
2.01.07	Debts with Related Parties	327,710	0
2.01.07.01	Related Parties	327,710	0
2.01.08	Other	161,744	147,555
2.01.08.01	Obligations with Research and Development Program	12,266	15,294
2.01.08.02	Concession Fees Payable	41,020	38,525
2.01.08.03	Post-employment Benefits	25,679	26,369
2.01.08.04	Other	82,779	67,367
2.02	Noncurrent Liabilities	4,867,302	3,632,347
2.02.01	Long-term Liabilities	4,867,302	3,632,347
2.02.01.01	Loans and Financing	2,399,918	1,236,862
2.02.01.02	Debentures	863,515	866,275
2.02.01.03	Provisions	89,178	85,552
2.02.01.03.01	Estimated Obligations	2,421	2,207
2.02.01.03.02	Provisions for Contingencies	86,757	83,345
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	1,514,691	1,443,658
2.02.01.06.01	Obligations with Research and Development Program	41,522	36,857
2.02.01.06.02	Concession Fees Payable	1,051,615	985,284
2.02.01.06.03	Post-Employment Benefits	354,183	354,923
2.02.01.06.04	Deferred Tax Liabilities	53,794	52,020
2.02.01.06.05	Other	13,577	14,574
2.03	Deferred Income	0	0
2.04	Minority Interest	0	0
2.05	Shareholders' Equity	4,239,413	4,201,450
2.05.01	Paid-in Capital Stock	2,445,766	2,445,766
2.05.02	Capital Reserves	91,695	91,695
2.05.03	Revaluation Reserves	0	0
2.05.03.01	Own Assets	0	0
2.05.03.02	Subsidiaries/Direct and Indirect Associated Companies	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

08.02 – CONSOLIDATED BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 9/30/2010	4 – 6/30/2010
2.05.04	Profit Reserves	1,143,806	1,143,806
2.05.04.01	Legal	361,974	361,974
2.05.04.02	Statutory	0	0
2.05.04.03	For Contingencies	0	0
2.05.04.04	Unrealized Profit	0	0
2.05.04.05	Profit Retention	781,832	781,832
2.05.04.06	Special Reserve for Undistributed Dividends	0	0
2.05.04.07	Other Profit Reserves	0	0
2.05.05	Assets Valuation Adjustments	0	0
2.05.05.01	Securities Adjustments	0	0
2.05.05.02	Accumulated Translation Adjustments	0	0
2.05.05.03	Business Combination Adjustments	0	0
2.05.06	Retained Earnings/Accumulated Losses	558,146	520,183
2.05.07	Advance for Future Capital Increase	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

09.01 – CONSOLIDATED STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
3.01	Gross Revenue from Sales and/or Services	1,212,869	3,344,540	983,003	2,867,477
3.01.01	Electric Power Supply	813,540	2,418,964	715,579	2,114,263
3.01.02	Electric Power Provision	263,251	739,321	224,970	646,077
3.01.03	Transactions within CCEE	108,375	143,070	24,281	36,374
3.01.04	Energy Exports	22,741	29,241	13,822	60,264
3.01.05	Other Revenues	4,962	13,944	4,351	10,499
3.02	Gross Revenue Deductions	(129,827)	(351,729)	(96,344)	(284,971)
3.02.01	PIS and COFINS (Taxes on Revenue)	(95,662)	(259,980)	(74,222)	(214,533)
3.02.02	ICMS (State VAT)	(24,920)	(67,274)	(14,634)	(48,543)
3.02.03	ISS (Service Tax)	(326)	(531)	(118)	(335)
3.02.04	Research and Development	(8,919)	(23,944)	(7,370)	(21,560)
3.03	Net Revenue from Sales and/or Services	1,083,042	2,992,811	886,659	2,582,506
3.04	Cost of Goods and/or Services Sold	(449,846)	(1,305,509)	(356,113)	(1,107,725)
3.04.01	Electricity Purchased for Resale	(166,762)	(504,503)	(108,927)	(300,811)
3.04.02	Transactions within CCEE	(892)	(1,915)	0	(122,904)
3.04.03	Electric Grid Usage Charges and Connection	(65,697)	(202,952)	(67,326)	(192,986)
3.04.04	Electricity Production Cost	(214,153)	(590,400)	(178,489)	(484,157)
3.04.05	Cost of Services	(2,342)	(5,739)	(1,371)	(6,867)
3.05	Gross Income	633,196	1,687,302	530,546	1,474,781
3.06	Operating Revenues/Expenses	(142,552)	(410,648)	(102,163)	(305,607)
3.06.01	Selling	(3,563)	(10,768)	(4,068)	(10,992)
3.06.02	General and Administrative	(48,523)	(128,631)	(42,204)	(117,569)

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

09.01 – CONSOLIDATED STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
3.06.03	Financial	(89,182)	(309,351)	(59,602)	(160,053)
3.06.03.01	Financial Revenues	36,360	94,255	14,200	61,070
3.06.03.02	Financial Expenses	(125,542)	(403,606)	(73,802)	(221,123)
3.06.04	Other Operating Revenues	150	46,271	3,711	4,672
3.06.04.01	Reversal of Operating Provisions, Net	0	0	228	0
3.06.04.02	Lawsuits Favorable Results	0	45,803	0	0
3.06.04.03	Other	150	468	3,483	4,672
3.06.05	Other Operating Expenses	(1,434)	(8,169)	0	(21,665)
3.06.05.01	Recording of Operating Provisions, Net	(1,434)	(8,169)	0	(21,665)
3.06.06	Equity in the Earnings of Subsidiary and Associated Companies	0	0	0	0
3.07	Operating Income	490,644	1,276,654	428,383	1,169,174
3.08	Non-operating Income	0	0	0	0
3.08.01	Revenues	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Income before Taxes/Holdings	490,644	1,276,654	428,383	1,169,174
3.10	Provision for Income and Social Contribution Taxes	(164,686)	(438,089)	(142,130)	(385,459)
3.10.01	Income Tax	(120,252)	(320,324)	(103,267)	(282,037)
3.10.02	Social contribution Tax	(44,434)	(117,765)	(38,863)	(103,422)
3.11	Deferred Income Tax	(1,895)	5,681	(522)	(833)
3.11.01	Income tax	(1,626)	3,246	(550)	728
3.11.02	Social Contribution Tax	(269)	2,435	28	(1,561)

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

09.01 – CONSOLIDATED STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
3.12	Statutory Profit Sharing/Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Equity	0	0	0	0
3.14	Minority Interest	0	0	0	0
3.15	Income/Loss for the Period	324,063	844,246	285,731	782,882
	NUMBER OF SHARES EX-TREASURY (Units)	652,742,192	652,742,192	652,742,192	652,742,192
	EARNINGS PER SHARE (Reais)	0.49646	1.29338	0.43774	1.19937
	LOSS PER SHARE (Reais)				

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CONSOLIDATED STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
4.01	Net Cash from Operating Activities	678,256	1,286,598	487,466	901,492
4.01.01	Cash generated in Operations	504,909	1,284,949	424,062	1,095,961
4.01.01.01	Net income for the Period	324,063	844,246	285,731	782,882
4.01.01.02	Depreciation and Amortization	89,874	272,807	84,488	239,393
4.01.01.03	Monetary and Exchange Variation, Net	10,602	57,871	(24,329)	(79,532)
4.01.01.04	Net Interest Rates	74,841	107,105	85,077	134,007
4.01.01.05	Operating Provisions, Net	4,478	9,784	(4,809)	21,794
4.01.01.06	Deferred Income and Social Contribution Taxes	1,895	(5,681)	522	833
4.01.01.07	Other	(844)	(1,183)	(2,618)	(3,416)
4.01.02	Variation in Assets and Liabilities	173,347	1,649	63,404	(194,469)
4.01.02.01	Consumers, Concessionaires and Permittees	(92,757)	(116,741)	(34,292)	(57,507)
4.01.02.02	Tax Receivables	(10,464)	(50,544)	3,670	(7,318)
4.01.02.03	Collaterals and Restricted/Judicial Deposits	113,799	139,426	(26,322)	(49,499)
4.01.02.04	Inventories	(3,125)	244	(1,421)	11,916
4.01.02.05	Prepaid Expenses	2,751	(1,283)	2,838	(2,573)
4.01.02.06	Suppliers	25,099	40,526	5,133	22,514
4.01.02.07	Taxes, Fees and Contributions	113,841	(31,692)	100,916	(72,062)
4.01.02.08	Estimated Obligations	12,419	15,676	1,681	7,114
4.01.02.09	Post-Employment Benefits	(7,699)	(23,235)	(9,576)	(27,317)
4.01.02.10	Provision for Contingencies	(474)	(2,577)	(552)	(8,513)
4.01.02.11	Obligations with Research and Development Program	1,638	5,677	1,246	(11,003)
4.01.02.12	Financial Comp. for Usage of Water Resources	(147)	(403)	24,588	6,868
4.01.02.13	Advances from Sales	13,118	24,218	0	0
4.01.02.14	Other	5,348	2,357	(4,505)	(7,089)
4.01.03	Other	0	0	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CONSOLIDATED STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 7/1/2010 to 9/30/2010	4 – 1/1/2010 to 9/30/2010	5 – 7/1/2009 to 9/30/2009	6 – 1/1/2009 to 9/30/2009
4.02	Net Cash from Investment Activities	(344,070)	(747,579)	(70,481)	(229,228)
4.02.01	Investments in Acquisitions	(162,880)	(467,436)	(2,003)	(2,003)
4.02.02	Investment in Property, Plant and Equipment	(179,411)	(275,814)	(68,373)	(226,932)
4.02.03	Investment in Intangible Assets	(1,779)	(4,329)	(105)	(293)
4.03	Net Cash from Financing Activities	(20,848)	(619,239)	(380,846)	(629,317)
4.03.01	Loans Payment, Financing and Debentures	(38,314)	(419,443)	(29,155)	(826,650)
4.03.02	Related Parties	0	0	0	(221,306)
4.03.03	Concession Fee Payments	(9,942)	(29,546)	(3,661)	(4,836)
4.03.04	Granting of Financing	30,383	66,040	0	926,601
4.03.05	Collateral and Restricted Deposits	(1,673)	15,132	(169)	(7,985)
4.03.06	Payment of Dividends and Interest on Equity	(1,302)	(251,422)	(347,861)	(495,141)
4.04	Exchange Variation on Cash and Cash Equivalents	0	0	0	0
4.05	Increase (Decrease) in Cash and Cash Equivalents	313,338	(80,220)	36,139	42,947
4.05.01	Opening Balance of Cash and Cash Equivalents	861,082	1,254,640	426,813	420,005
4.05.02	Closing Balance of Cash and Cash Equivalents	1,174,420	1,174,420	462,952	462,952

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

11.01 – CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 7/1/2010 TO 9/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450
5.04	Net Income/Loss for the Period	0	0	0	0	324,063	0	324,063
5.05	Allocations	0	0	0	0	(286,100)	0	(286,100)
5.05.01	Dividends	0	0	0	0	(286,100)	0	(286,100)
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	558,146	0	4,239,413

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

11.02 – CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 1/1/2010 TO 9/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.04	Net Income/Loss for the Period	0	0	0	0	844,246	0	844,246
5.05	Allocations	0	0	0	0	(286,100)	0	(286,100)
5.05.01	Dividends	0	0	0	0	(286,100)	0	(286,100)
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	558,146	0	4,239,413

1 –OPERATIONS

The Company is an independent utility concessionaire with its registered head office in the city of Florianópolis, State of Santa Catarina, engaged in the generation and sale of electricity, regulated by the Brazilian Electricity Regulatory Agency - Aneel, which is linked to the Ministry of Mines and Energy (MME).

The Company's installed capacity, including the interests in the consortium Itá and Machadinho, increased to 6,469 MW[1], considering that Areia Branca Small Hydroelectric Power Plant (PCH) and Ibitiúva Bioenergética Thermoelectric Power Plant (UTE) (new corporate name of UTE Destilaria Andrade) have started their operations, 80% of which derives from hydroelectric power plants, 18% from thermoelectric power plants and 2% from alternative energy. The Company's average assured energy is 3,541 MW.

Main corporate events occurred in 2010

Acquisition of SUEZ Energia Renovável S.A. (SER)

In August 2010, after complying with conditions precedent set forth in the Purchase Agreement executed in December 2009, the Company completed the acquisition of the common shares issued by SUEZ Energia Renovável S.A. (owned by its parent company GDF SUEZ Energy Latin America Participações Ltda. (GSELA). SER holds a 40.07% interest in the Estreito Energia Consortium (Ceste), a consortium created for the implementation and operation of the Estreito Hydroelectric Power Plant (UHE Estreito), which is currently under construction on the border between the states of Tocantins and Maranhão and will have the installed capacity of 1,087 MW. Total acquisition cost was composed of: (i) R$604,390 corresponding to the original amount on the execution date of the agreement; (ii) R$24,620 for the monetary and compensatory interest restatement on the original amount; and (iii) R$169,735 related to advances for future capital increase, including monetary and interest restatement, conducted by GSELA between the execution date of the agreement and the payment date, for investments in the construction of the plant. See addition information on this transaction and its records in Note 13.

Startup of Areia Branca Small Hydroelectric Power Plant (PCH) and Ibitiúva Bioenergética Thermoelectric Power Plant (UTE)

In March and May 2010, the Areia Branca Small Hydroelectric Power Plant (PCH) and Ibitiúva Bioenergética Thermoelectric Power Plant (UTE) started their commercial operations, adding 19.8 MW and 18.3 MW, respectively, to the Company's installed capacity.

Payment of interest on equity and complementary dividends referring to 2009

In May 2010, the Company paid R$275,913 as interest on equity and complementary dividends referring to 2009.

Payment of 2010 interim dividends

In August 2010, interim dividends were recorded amounting to R$286,100, equivalent to R$0.4383049909 per share, which correspond to a 55% payout of 1H10's net income. These dividends were paid on 10.15.2010.

[1] *Non-financial information provided herein, such as average MW, installed capacity, number of employees, etc., is not examined by the independent auditors.*

Approval of the Protocol for the Merger of Ponte de Pedra Energética S.A. (PPESA)

The Company's Board of Directors, at a meeting held on 06.17.2010, approved a proposal to merge PPESA into its parent company, Energia América do Sul Ltda. (EAS), and the latter into its parent company, Tractebel Energia S.A., pursuant to the "Protocols and Justifications for the Merger".

The merger proposed aims at reducing its current organizational structure, decreasing costs, adding value for shareholders, streamlining and optimizing investments and also facilitating the merging, standardization and streamlining of the general business management of the companies involved in the operation.

The Extraordinary General Meeting held on 10.19.2010, unanimously approved the Merger Protocol and Instrument of Justification for Merger, and the appointment of a company to evaluate the shareholders' equity to be merged. The transaction is pending analysis by Aneel.

2 – PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements were prepared and are presented pursuant to the accounting practices adopted in Brazil and in accordance with the regulation of the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Financial Statements and, when applicable, the regulation of the Brazilian Electricity Regulatory Agency (Aneel).

The content of the notes to the Financial Statements as of 12.31.2009 complements the notes to these Financial Statements, presented in summary format. The amounts presented, texts and tables, are expressed in thousands (of reais and other currencies), except where otherwise indicated.

Changes in Brazilian accounting practices applicable as of 2010

The enactment of Law No. 11,638/07 and Provisional Act 449/08, subsequently converted into Law No. 11,941/09, which updated the Brazilian Corporate Law to enable the process of convergence of accounting practices adopted in Brazil with international accounting standards (IFRS). As a result, new accounting rules and technical pronouncements have been issued pursuant to the international accounting standards by the Accounting Pronouncements Committee (CPC).

In 2009, CVM approved several Pronouncements, Interpretations and Technical Guidelines issued by CPC, effective as of 2010, which changed the accounting practices adopted in Brazil. As allowed by CVM Resolution No. 603/09, the Company's Management opted to present its Financial Statements (ITR) using the accounting rules adopted in Brazil until 12.31.2009, i.e., it did not apply the rules effective as of 2010.

To the best of the Management's knowledge, the following pronouncements could affect the Financial Statements corresponding quarters ended 09.30.2010 and 06.30.2010 if they were applied on that date.

CPC 24 –Subsequent Event and ICPC 08 – Recording for the dividend payment proposal: the abovementioned pronouncements set forth that the amount of dividends above the minimum mandatory provided for by law and not approved at a general meeting shall not be recognized in liabilities, and shall be presented as a separate item under shareholders' equity. If these rules had been applied on 09.30.2010 and 06.30.2010, they would not have had any effect on current liabilities and shareholders' equity.

CPC 25 - Allowances, contingent liabilities and contingent assets: amounts corresponding to judicial deposits referring to provided for tax, labor and civil contingencies are presented in the balance sheet as reducing the respective provision for contingencies, in liabilities, pursuant to CVM Resolution No. 489/05, which was revoked with the adoption of CPC 25. If that CPC had been adopted, said consolidated judicial deposits, amounting to R$52,608 and R$51,694 on 09.30.2010 and 06.30.2010, respectively, would have been recorded in the assets of the Company and its subsidiaries.

CPC 26 – Presentation of the Financial Statements: deferred income and social contribution taxes expected to be realized within the next twelve months are recorded in current assets. According to CPC 26, these deferred taxes should not be presented as current assets. Therefore, had the aforementioned CPC been applied, consolidated deferred income and social contribution taxes, amounting to R$19,318 and R$19,192 on 09.30.2010 and 06.30.2010, respectively, would have been recognized in non-current assets of the Company and its subsidiaries.

CPC 27 – Fixed assets, CPC 37 – First-time adoption of the International Financial Reporting Standards and ICPC 10 – Clarifications on CPC 27 and CPC 28: the Company is in the process of verifying procedures related to the assets' construction or acquisition costs according to CPC 27 rules, especially the procedures for capitalizing interest and administrative expenses in fixed assets during the construction of the Company's power plants. Alternatively, as set forth in CPC 37 and ICPC 10, the Company may adopt the fair value as cost attributed to fixed assets on the transition date. The Company's Management is evaluating eventual effects deriving from the application of the aforementioned CPCs on its annual and quarterly financial statements to define the registration criterion to be used. Until the date of conclusion of these Financial Statements, the measurement of possible impacts had not yet been concluded due to the operational difficulty in obtaining this information.

CPC 30 - Revenue: the presentation of the Company's consolidated and individual revenue in the income statement separates gross revenue from gross revenue deductions and net revenue. The abovementioned CPC establishes that, for purposes of presentation in the income statement, revenue will only include the gross inflow of economic benefits received and receivable by the entity when originated from its own activities. Amounts collected from third parties, such as taxes on sales and funds allocated to research and development determined by Aneel, are not economic benefits flowing to the entity and do not result in an increase in shareholders' equity. Therefore, they should not be presented as revenue. Also according to the CPC, the Company should disclose in an Explanatory Note the reconciliation between the gross revenue for tax purposes and the revenue presented in the income statement.

CPC 33 – Post-employment Benefits: as provided for in CVM Rule No. 371/00, accumulated actuarial gains within the limit of 10% of the present value of defined-benefit obligation ("corridor") are not recognized in the Company's income, but they are disclosed in an Explanatory Note, and losses exceeding the corridor are recognized in income during the average remaining life time of beneficiaries. According to CPC 33, actuarial losses can be recognized in full in the income statement, in shareholders' equity. The Company's Management is evaluating the possibility of adopting such procedure. Had this procedure been adopted, the balances of post-employment benefits would have been reduced and the balances of shareholders' equity would have been increased by R$68,435 and R$68,342, as of 09.30.2010 and 06.30.2010, respectively.

For certain CPCs, this process involves the revision of flows, internal controls, electronic systems and other material aspects. Up to this moment, the analyses are not sufficiently advanced to allow the presentation of safe estimates of the possible effects of adopting the new rules.

Except regarding the comments above, the Company's Management believes that the other pronouncements and interpretations effective as of 2010 will not have a material impact on its financial statements.

Consolidated accounting statements

Intercompany balances, transactions and investments in investees are eliminated in consolidation, as well as balances of assets and liabilities and revenues and expenses resulting from operations among the consolidated companies.

The components of assets and liabilities, revenues and expenses of Itasa were consolidated in proportion to the Company's interest in this investee's capital stock, as it is joint-controlled.

Because the parent company's interest in the other subsidiaries is of 99.99%, there was no effect in the non-controlling shareholding in the consolidated financial statements. Further information on the subsidiaries that have been consolidated can be found in Note 13.

3 – CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Current assets				
Cash and bank deposits cash	1,807	1,317	10,367	12,898
Citibank – Exclusive Investment Fund				
Repurchase agreement with Federal Government Securities[2]				
National Treasury Note (NTN – B)	728,998	78,499	856,494	96,272
Financial Treasury Bill (LFT)	199,283	-	234,136	-
National Treasury Bill (LTN)	-	581,257	-	712,862
	928,281	659,756	1,090,630	809,134
Financial Institutions [3]				
Bank Deposit Certificate (CDB)	1,072	1,047	73,423	12,211
Purchase and sale commitment in debentures	-	-	-	26,839
	1,072	1,047	73,423	39,050
	931,160	**662,120**	**1,174,420**	**861,082**

The Company structured its financial investments by concentrating its funds in an Exclusive Fixed Income Investment Fund, and its quotas can be redeemed at any time without compromising yields. In the third quarter, this fund on average yielded 100.2% of CDI (interbank deposits benchmark rate), net of corresponding costs, such as management fee, custody fee, etc.

Exclusive funds do not entail significant financial obligations, which are limited to asset management, investment transaction and audit fees, in addition to general and administrative expenses.

[2] *Sale of securities with repurchase agreements assumed by the seller, concurrently with the resale commitment assumed by the buyer. These operations have immediate liquidity, pay yields at a fixed rate and are backed by federal government securities*

[3] *Banco Safra, Banco Itaú Unibanco Holding S.A (Itaú Unibanco), Banco do Brasil S.A. (Banco do Brasil), Banco Votorantim, Banco Bradesco and Caixa Econômica Federal (CEF).*

Cash equivalents are maintained with the purpose of covering short-term liabilities, and consist of cash balances, spot bank deposits and financial investments with immediate liquidity that are promptly convertible into an amount of cash subject to an insignificant risk of change in value. These are classified as financial instruments allocated to trading and are recorded at cost value plus income earned to the balance sheet date, which corresponds to the financial instrument's fair value.

4 – CONSUMERS, CONCESSIONAIRES AND PERMITTEES

	Company				
	09.30.2010				06.30.2010
	Current	Past due		Total	Total
		Up to 90 days	Over 90 days		
Current assets					
Concessionaries	220,072	-	-	220,072	206,855
Sellers	81,162	45,276	-	126,438	154,659
Free Consumers	25,121	-	111	25,232	24,734
Exports	3,577	-	740	4,317	7,240
Transactions within CCEE [4]					
- Current	80,717	8,717	537	89,971	20,066
- Agents with lawsuits or in default	110,498	-	12,076	122,574	122,574
- Extraordinary Tariff Recovery (RTE)	102	1,501	-	1,603	-
	521,249	**55,494**	**13,464**	**590,207**	**536,128**
(-) Allowance for doubtful accounts	(110,498)	-	(12,076)	(122,574)	(122,574)
	410,751	**55,494**	**1,388**	**467,633**	**413,554**

Amounts receivable from sellers past-due up to 90 days correspond to outstanding invoices from the wholly-owned subsidiary Tractebel Energia Comercializadora Ltda. (TBLC). These amounts will be settled as the momentary and specific cash flow instability of this subsidiary is solved, which is expected to happen by the end of 2010.

	Consolidated				
	09.30.2010				06.30.2010
	Current	Past due		Total	Total
		Up to 90 days	Over 90 days		
Current assets					
Concessionaries	281,304	-	-	281,304	263,859
Sellers	59,291	1,765	-	61,056	66,002
Free Consumers	106,191	4,816	111	111,118	100,333
Exports	3,577	-	740	4,317	7,240
Transactions within CCEE					
- Current	80,757	9,300	729	90,786	21,843
- Agents with lawsuits or in default	110,498	-	12,076	122,574	122,574
- Extraordinary Tariff Recovery (RTE)	102	1,501	-	1,603	-
	641,720	**17,382**	**13,656**	**672,758**	**581,851**
(-) Allowance for doubtful accounts	(110,498)	-	(12,076)	(122,574)	(122,574)
	531,222	**17,382**	**1,580**	**550,184**	**459,277**

The average term for amounts related to electricity sales invoices is 25 days as from the billing date.

[4] *Electric Power Commercialization Chamber (CCEE)*

Agents with lawsuits or in default

The allowance for doubtful accounts related to outstanding amounts, totaling R$110,498, was recognized due to the uncertainties as to the realization of receivables arising from transactions made within the Wholesale Energy Market (MAE), current Electric Power Commercialization Chamber (CCEE) from September 2000 to September 2002, whose debtor agents filed lawsuits because they disagreed with the interpretation adopted by MAE in connection with the Overall Agreement for the Electric Power Sector.

Amounts past due for more than 90 days, totaling R$12,076, identified as "Agents with lawsuits or in default", refer substantially to debts of agents in default during the 1st settlement of the MAE, on 12.30.2002, related to transactions within MAE. Such amounts are under bilateral negotiations. However, due to uncertainties as to their recoverability, the Company maintains an allowance for doubtful accounts, regardless of the actions applicable to the case.

5 – RECOVERABLE TAXES

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Current				
ICMS (state VAT)	2,152	3,614	4,713	5,513
Income Tax	494	146	14,040	12,167
Social Contribution tax	19	-	3,494	4,660
Cofins (tax on revenue)	41,199	41,314	56,020	57,588
PIS (tax on revenue)	9,318	9,343	12,535	12,875
INSS (social security contribution)	1,373	1,519	1,381	1,527
	54,555	**55,936**	**92,183**	**94,330**
Non-current				
ICMS (state VAT)	11,261	10,895	14,587	14,231
Cofins (tax on revenue)	12,250	12,347	137,622	70,530
PIS (tax on revenue)	2,685	2,706	29,905	15,338
INSS (social security contribution)	3,700	3,700	3,700	3,700
	29,896	**29,648**	**185,814**	**103,799**

PIS and Cofins recoverable amounts mainly refer to the option for using the right to credits on building constructions and purchases, acquisition of machinery and equipment, pursuant to specific laws; such credits are offset in up tho 24 and 48 months, respectively, from the plants startup.

The quarterly increase of PIS and Cofins balances to offset, recorded in non-current assets, correspond to the contributions of subsidiary SUEZ Energia Renovável S.A., whose acquisition was recorded in this quarter.

6 – COLLATERALS AND RESTRICTED DEPOSITS

	Company		Consolidated	
	09.30.2010	06.30.2010	06.30.2010	03.31.2010
Current				
Reserve account (CCEE)				
Bank Deposit Certificate	-	-	1,053	1,026
Repurchase and resale operations, backed by debentures	9,377	12,307	15,861	15,403
	9,377	**12,307**	**16,914**	**16,429**
Non-current				
Reserve account – debt amortization				
Bank Deposit Certificate (CBD)	-	-	7,020	9,619
Repurchase and resale operations, backed by debentures	-	-	1,917	1,867
Investment funds	-	-	40,522	37,833
	-	**-**	**49,459**	**49,319**

Funds from reserve accounts mentioned above are invested in Bank Deposit Certificates (CDBs) and in repurchase and resale operations, backed by debentures and/or investment funds backed by federal government securities, in eligible banks according to the Company's Financial Management Policy. The average yield in the quarter corresponded to approximately 100% of CDI.

7 – INVENTORIES

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Current				
Raw materials for energy production	7,777	5,213	10,760	8,311
Supplies	22,708	22,294	23,442	22,986
Advances to suppliers	7,517	9,027	7,517	9,031
Other	2,670	916	2,690	955
	40,672	**37,450**	**44,409**	**41,283**

Supplies include mainly materials necessary for the operation and maintenance of the Company's generating units.

8– AVAILABLE-FOR-SALE ASSETS

On 05.30.2010, the Company signed a Proposal Letter for the sale of the Seival Project, comprising Usina Termelétrica Seival Ltda. (UTE Seival) and its parent company Seival Participações S.A. (Seival).

Seival Thermoelectric Power Plant (UTE) is a Special Purpose Entity (SPE) organized to implement and operate a steam- powered thermoelectric generation unit, using coal as fuel, in the city of Candiota, state of Rio Grande do Sul and up to 540 MW installed capacity. To date, the Company has not been operational.

The actual sale of the project depends only on the approval by the Administrative Council for Economic Defense (CADE) and the transfer by Aneel.

The amount established by the proposal letter is R$37,000 and the Company has already received R$24,218 in advance, recorded in the "Other" account, in current liabilities. The R$13,559 gross capital gain shall be recorded once the operation is concluded, which is expected for next year.

9– DEFERRED TAX ASSETS

	Company				
	09.30.2010				06.30.2010
Type of credit	Tax basis	Income tax	Social contribution	Total	Total
Interest on property, plant and equipment in progress (RIC)	145,865	36,466	-	36,466	36,466
Post-employment benefits	246,081	61,520	22,147	83,667	82,261
Allowance for doubtful accounts	122,574	30,643	11,032	41,675	41,675
Reserve for contingencies	112,033	28,008	10,083	38,091	37,763
Supplementary depreciation of William Arjona Thermoelectric Power Plant	16,002	4,001	1,440	5,441	5,725
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Incorporated goodwill	11,132	2,783	1,002	3,785	4,176
Other	15,531	3,883	1,398	5,281	5,005
		170,773	**48,351**	**219,124**	**217,789**
Classification of deferred tax assets:					
Current		12,900	3,331	16,231	15,710
Non-current		157,873	45,020	202,893	202,079
		170,773	**48,351**	**219,124**	**217,789**

	Consolidated				
	09.30.2010				06.30.2010
Type of credit	Tax basis	Income tax	Social contribution	Total	Total
Interest on property, plant and equipment in progress (RIC)	145,865	36,466	-	36,466	36,466
Post-employment benefits	246,081	61,520	22,147	83,667	82,261
Allowance for doubtful accounts	122,574	30,643	11,032	41,675	41,675
Reserve for contingencies	149,454	30,462	13,452	43,914	43,228
Supplementary depreciation of William Arjona Thermoelectric Power Plant	16,002	4,001	1,440	5,441	5,725
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Incorporated goodwill	11,132	2,783	1,002	3,785	4,176
Tax loss	71,167	14,694	6,405	21,099	23,814
Other	47,101	5,855	4,240	10,095	9,504
		189,893	**60,967**	**250,860**	**251,567**
Classification of deferred tax assets:					
Current		14,648	4,670	19,318	19,192
Non-current		175,245	56,297	231,542	232,375
		189,893	**60,967**	**250,860**	**251,567**

To calculate income tax, the Company took into consideration the tax incentive of subsidiary Ponte de Pedra Energética S.A., which corresponds to a 75% reduction in its calculation basis.

Deferred tax assets deriving from temporary differences will be realized upon the payment of provisions made or, where applicable, upon realization of accrued losses. Income and social contribution tax loss carryforwards will be realized through the generation of future taxable income of the subsidiary that extraordinarily recorded losses.

The estimated realization of deferred tax assets and their recovery:

	Company	Consolidated
Recorded deferred tax asset:		
October 2010 to September 2011	16,231	17,865
October to December 2011	6,835	12,338
2012	20,234	27,838
2013	21,016	24,519
2014	34,598	38,998
2015	57,107	63,295
2016 to 2018	40,128	42,403
2019 to September 2020	22,975	23,604
	219,124	**250,860**
Unrecorded deferred tax asset:		
October 2020 to December 2022	2,061	2,061
2023 to 2025	2,748	2,748
2026 and thereafter	735	735
	5,544	**5,544**

The unrecorded deferred tax asset corresponds to interest on property, plant and equipment in progress (RIC), whose realization occurs proportionally to the depreciation of the underlying assets, which currently exceeds 10 years, resulting in the unrecorded deferred tax asset, in compliance with CVM Rule No. 371/02 of 06.27.2002.

10 – TAX RECONCILIATION IN INCOME

	Company							
	2010				2009			
	3rd Quarter		Accumulated		3rd Quarter		Accumulated	
	IR*	CS*	IR	CS	IR	CS	IR	CS
Income before taxes	**481,692**	**481,692**	**1,275,292**	**1,275,292**	**422,466**	**422,466**	**1,142,974**	**1,142,974**
Permanent Differences								
Management bonuses and 13th salary	1,819	-	3,756	-	440	-	2,283	-
Donations	922	922	3,080	3,080	850	850	3,118	3,118
Equity in subsidiaries	(13,979)	(13,979)	1,689	1,689	(15,655)	(15,655)	(69,570)	(69,570)
RIC	(3,664)	-	(10,991)	-	(3,664)	-	(10,991)	-
Other	95	109	2,073	2,073	(818)	104	(1,843)	(1,545)
Tax basis	**466,885**	**468,744**	**1,274,899**	**1,282,134**	**403,619**	**407,765**	**1,065,971**	**1,074,977**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(116,721)**	**(42,187)**	**(318,725)**	**(115,392)**	**(100,905)**	**(36,699)**	**(266,493)**	**(96,748)**
Income and social contribution taxes from previous periods	350	(2)	(494)	467	-	-	-	-
Tax incentives	922	-	3,080	-	863	-	3,131	-
Other	6	3	18	-	6	-	18	-
Income and social contribution taxes	**(115,443)**	**(42,186)**	**(316,121)**	**(114,925)**	**(100,036)**	**(36,699)**	**(263,344)**	**(96,748)**
Breakdown of taxes in the statement of income:								
Current	(116,425)	(42,539)	(310,794)	(113,007)	(100,059)	(36,707)	(267,239)	(98,150)
Deferred	982	353	(5,327)	(1,918)	23	8	3,895	1,402
	(115,443)	**(42,186)**	**(316,121)**	**(114,925)**	**(100,036)**	**(36,699)**	**(263,344)**	**(96,748)**

*Income Tax – IR/Social Contribution - CS

	Consolidated							
	2010				2009			
	3rd Quarter		Accumulated		3rd Quarter		Accumulated	
	IR	CS	IR	CS	IR	CS	IR	CS
Income before taxes	**490,644**	**490,644**	**1,276,654**	**1,276,654**	**428,383**	**428,383**	**1,169,174**	**1,169,174**
Permanent Differences								
Management bonuses and 13th salary	1,856	-	3,867	-	456	-	2,394	-
Donations	922	922	3,080	3,080	932	932	3,200	3,200
Calculation basis adjustment in subsidiaries taxed by presumed profit	(3,496)	(2,711)	(11,280)	(9,010)	(309)	514	(4,384)	(2,012)
RIC	(3,664)	-	(10,991)	-	(3,664)	-	(10,991)	-
Other	4,389	5,938	9,378	10,873	(1,709)	2,741	(5,287)	(2,253)
Tax basis	**490,651**	**494,793**	**1,270,708**	**1,281,597**	**424,089**	**432,570**	**1,154,106**	**1,168,109**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(122,663)**	**(44,532)**	**(317,677)**	**(115,344)**	**(106,023)**	**(38,931)**	**(288,527)**	**(105,129)**
Income and social contribution taxes from previous periods	350	(2)	(2,182)	(141)	-	-	-	-
Tax Incentives	2,488	-	6,461	-	2,753	-	8,384	-
Other	(2,053)	(169)	(3,680)	155	(547)	96	(1,166)	146
Income and social contribution taxes	**(121,878)**	**(44,703)**	**(317,078)**	**(115,330)**	**(103,817)**	**(38,835)**	**(281,309)**	**(104,983)**
Breakdown of taxes in the statement of income:								
Current	(120,252)	(44,434)	(320,324)	(117,765)	(103,267)	(38,863)	(282,037)	(103,422)
Deferred	(1,626)	(269)	3,246	2,435	(550)	28	728	(1,561)
	(121,878)	**(44,703)**	**(317,078)**	**(115,330)**	**(103,817)**	**(38,835)**	**(281,309)**	**(104,983)**

The subsidiary PPESA has a reduction of income tax and surcharges equivalent to 75% on exploration profits for the period of 10 years as from 2006, as it is located in an incentive area of the Sudam. Such reduction, amounting to R$1,232 in the third quarter of 2010 and R$3,047 from January to September 2010, is presented in the tax incentives group, in the chart above.

11 – SALES OF ASSETS AND RIGHTS

The balance of R$86,886, in the parent company and consolidated, corresponds to the book value receivable from Elétrica Jacuí S.A. – Eleja related to the sale of Jacuí thermoelectric project, net of present value adjustment of R$13,875.

The terms of the agreement set forth that the sale amounts must be adjusted based on the IGP-DI (general price index – domestic supply) and received in 36 installments after 2004, the sale date. As contractual amounts are at future prices, the Company discounted the price to present value based on the discount rate of 10% p.a., a rate that meets the market requirements on the transaction date.

As from February 2009, Eleja no longer paid the monthly due installments, which accumulated to R$41,705 on 09.30.2010 (R$32,548 on 06.30.2010). In July 2009, after several unsuccessful attempts for Eleja to resume overdue payments, the Company concluded that it had no other option than to file an execution proceeding of the agreement.

The execution proceeding has been made in the amount corresponding to total debt, since Eleja's default accelerated the maturity of all existing debt, which is automatically considered overdue and payable.

Prudently, the Company stopped recognizing interest and monetary restatement on the amounts receivable from Eleja as from July 2009. Additionally, in view of the uncertainty so as to the settlement term of the above referred credit, the Company now presents amounts receivable under non-current assets. On 09.30.2010, the face value of the debt, restated by the IGP-DI, was R$105,129 (R$104,285 on 06.30.2010).

Should Eleja's default persist, the execution proceeding allows the Company to seize assets used as collateral aiming to settle the Company's debts. Currently, these assets, which have already been pledged, have a market value that, in the Company's evaluation, corresponds to an amount sufficient to recover the recorded credit, reason that the Management believes it is not necessary to record any provision for losses.

The execution proceeding filed against Eleja has been in progress at the court of Florianópolis (state of Santa Catarina), and the provisional attachment of collateral was granted at the registry of deeds and documents of Charqueadas (state of Rio Grande do Sul).

In May 2010, Eleja as execution debtor was summoned, but it did not reply. Therefore, the next procedures will be the appointment of a curator and the conversion of the provisional attachment into a levy of execution and, subsequently, the asset valuation by a qualified professional so that levied assets can be sold.

12 – CREDITS WITH RELATED PARTIES (Parent Company)

Credits with related parties mainly refer to a loan agreement with the indirect subsidiary Ibitiúva Bioenergética, whose funds were invested to build the power plant. These amounts have been received to the extent that BNDES authorizes the funds resulting from the loan agreement of the parent company. In the third quarter of 2010, R$21,979 was received, thus, remaining a balance of R$6,105 on 09.30.2010, expected to be received in the next quarter. This loan agreement includes interest yield according to 100% variation of the Selic rate.

13 – INVESTMENTS

a) Breakdown

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Investments in subsidiaries:				
Accounted for under the equity method				
Equity in subsidiaries	3,016,981	2,109,711	-	-
Goodwill	117,989	34,004	-	-
Accounted for at acquisition cost	28,796	28,796	31,929	31,767
Assets and rights for future use	1,895	1,895	1,895	1,895
Advance for investment acquisition	-	304,556	-	304,556
Other Investments	121	121	121	121
	3,165,782	**2,479,083**	**33,945**	**338,339**

In accordance with the accounting practices adopted in Brazil, assets and liabilities recorded in the opening balance sheet of the entities acquired are acknowledged as an investment by the acquiring company, and goodwill ascertained in acquisitions correspond to the amount paid which exceeds the book value of the shareholders' equity of the entity acquired. This procedure was adopted by the Company in the individual balance sheets of Tractebel Energia and its subsidiaries, used as a vehicle to acquire companies.

In order to prepare the consolidated balance sheet, the Company considered that the goodwill paid in acquisitions is based on the exploration of the right to use a public asset, provided for in the concession agreements. This is recorded under property, plant and equipment, jointly with the amount of each concession considered part of these assets, when applicable, because this right is not separable, that is, it cannot be sold or transferred separately from the property, plant and equipment.

b) Permanent corporate interest

b.1) Evaluated according to the equity method

	09.30.2010				3Q10	06.30.2010	3Q09
Subsidiaries	1,000 shares or quotas	AFAC (*)	Interest (%)	Shareholders' equity	Net income (loss)	Shareholders' equity	Net income (loss)
Itasa (1)	253,607	-	48.75	667,655	10,790	656,865	11,986
CESS (2)	309,289	19,300	99.99	352,670	10,451	322,919	(406)
Lages (3)	30,530	-	99.99	69,883	1,777	68,106	3,802
TBLC (4)	4,200	-	99.99	64,543	(7,772)	72,315	3,555
EAS (5)	794,470	-	99.99	809,292	1,882	807,410	5,251
TBLP (6)	509,010	21,506	99.99	523,839	2,381	518,470	(2,388)
SER (7)	714,442	156,561	99.99	871,003	-	-	-
Delta (8)	-	-	-	-	286	23,111	(1)
L. Formosa (9)	270	-	99.99	269	-	269	-

(*) *Advance for future capital increase (AFAC).*
(1) *Itá Energética S.A. (Itasa).*
(2) *Companhia Energética São Salvador (CESS), commercial operation started in August 2009.*
(3) *Lages Bioenergética Ltda. (Lages).*
(4) *Tractebel Energia Comercializadora Ltda. (TBLC).*
(5) *Energia América do Sul Ltda. (EAS), Specific Purpose Entity (SPE) used as vehicle for the acquisition of 99.99% of Ponte de Pedra Energética S.A.(PPESA).*
(6) *Tractebel Energias Complementares Participações Ltda. (TBLP), formerly Gama Participações Ltda., SPE used as vehicle for the acquisition of 99.99% of Tupan Energia Elétrica S.A. (Tupan), Hidropower Energia S.A. (Hidropower), Eólica Beberibe S.A. (Beberibe), Eólica Pedra do Sal S.A. (Pedra do Sal), Hidrelétrica Areia Branca S.A. (Areia Branca) and Econergy Brasil Serviços Corporativos Ltda.(EBSC), and for the interest in Ibitiúva Bioenergética S.A. (Ibitiúva).*
(7) *SUEZ Energia Renovável S.A. (SER).*
(8) *Delta Energética S.A. (Delta), SPE used as vehicle for the acquisition of Seival Participações S.A.*
(9) *Lagoa Formosa Bioenergética Ltda. (L. Formosa).*

Changes in investments

Equity in subsidiaries

Subsidiaries	Balances as of 03.31.2010	Capital Increase/ AFAC	Equity in subsidiaries	Transfer to current assets	Balances as of 06.30.2010
Itasa	315,422	-	4,799	-	320,221
CESS	317,525	18,300	(12,906)	-	322,919
Lages	66,204	-	1,902	-	68,106
TBLC	66,163	-	6,152	-	72,315
EAS	808,312	-	(902)	-	807,410
TBLP	502,053	15,848	569	-	518,470
Delta	23,075	-	36	(23,111)	-
Lagoa Formosa	269	-	-	-	269
Épsilon	1	-	-	-	1
	2,099,024	**34,148**	**(350)**	**(23,111)**	**2,109,711**

Subsidiaries	Balances as of 06.30.2010	Capital increase / AFAC	Equity in subsidiaries	Transfer to current assets	Balances as of 09.30.2010
Itasa	320,221	-	-	5,260	325,481
CESS	322,919	19,300	-	10,451	352,670
Lages	68,106	-	-	1,777	69,883
TBLC	72,315	-	-	(7,772)	64,543
EAS	807,410	-	-	1,882	809,292
TBLP	518,470	2,988	-	2,381	523,839
SER	-	156,561	714,442	-	871,003
Lagoa Formosa	269	-	-	-	269
Épsilon	1	-	-	-	1
	2,109,711	**178,849**	**714,442**	**13,979**	**3,016,981**

Acquisition of SUEZ Energia Renovável S.A. (SER)

In August 2010, after complying with all conditions precedent set forth in the Purchase Agreement executed in December 2009, those being the approval of Aneel, of the National Bank for Economic and Social Development (BNDES) and financing Banks, and after the ratification of the transaction at the Extraordinary General Meeting held on 10.19.2010, minority shareholders unanimously voted on the matter and the Company completed the acquisition of the common shares issued by SUEZ Energia Renovável S.A. owned by its parent company GDF SUEZ Energy Latin America Participações Ltda. (GSELA).

SER holds a 40.07% interest in Estreito Energia S.A. (Ceste) a consortium created for the implementation and operation of Estreito Hydroelectric Project (AHE), which has an installed capacity of 1,087 MW. Other Ceste's consortium members are Companhia Vale do Rio Doce (30%), Estreito Energia S.A. (Alcoa Group – 25.49%) and Camargo Corrêa Geração de Energia S.A. (4.44%). SER is the consortium's leader.

Total acquisition cost comprises: (i) R$604,390 corresponding to the original amount on the execution date of the agreement; (ii) $24,620 related to the monetary restatement by IPCA and the compensatory interest restatement at the rate of 6% p.a. pro rata temporis, calculated on the original amount, between the execution date of the agreement and the payment date; and (iii) R$169,735 related to advances for future capital increase, restated by the IPCA with 6% p.a. compensatory interest rates pro rata temporis, conducted by GSELA between the execution date of the agreement and the payment date, for investments in the construction of the plant.

The difference between the amount paid and the acquisition corporate shareholders' equity was R$84,303, which is recorded as goodwill in the parent company's balance sheet.

14 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Company				
	09.30.2010				06.30.2010
	Average depreciation rates	Adjusted cost	Accumulated depreciation / amortization	Net	Net
In service					
Hydroelectric generation					
UHE Salto Santiago	2.42	645,106	(545,962)	99,144	102,812
UHE Salto Osório	2.64	336,383	(251,556)	84,827	86,528
UHE Passo Fundo	2.28	122,368	(98,327)	24,041	24,603
UHE Itá (consortium)	3.58	1,233,945	(341,931)	892,014	903,015
UHE Machadinho (consortium)	3.18	180,880	(41,536)	139,344	140,783
UHE Cana Brava	3.03	964,346	(210,384)	753,962	760,195
		3,483,028	**(1,489,696)**	**1,993,332**	**2,017,936**
Thermoelectric generation					
Jorge Lacerda complex	4.86	2,589,082	(1,624,899)	964,183	973,489
UTE Charqueadas	13.55	70,263	(53,801)	16,462	17,214
UTE Alegrete	3.90	8,371	(7,314)	1,057	1,071
UTE William Arjona	4.31	174,706	(86,681)	88,025	89,058
		2,842,422	**(1,772,695)**	**1,069,727**	**1,080,832**
General equipment and other		**65,154**	**(32,693)**	**32,461**	**32,907**
		6,390,604	**(3,295,084)**	**3,095,520**	**3,131,675**
Construction in progress					
Hydroelectric generation		**23,086**	**-**	**23,086**	**17,060**
Thermoelectric generation					
Jorge Lacerda complex		**35,922**	**-**	**35,922**	**48,154**
UTE Charqueadas		**57,225**	**-**	**57,225**	**53,473**
Other UTE (construction work)		**725**	**-**	**725**	**673**
General equipment and other		**5,179**	**-**	**5,179**	**5,277**
		122,137	**-**	**122,137**	**124,637**
Total property, plant and equipment		**6,512,741**	**(3,295,084)**	**3,217,657**	**3,256,312**
Special liabilities		**(10,296)**	**-**	**(10,296)**	**(10,402)**
		6,502,445	**(3,295,084)**	**3,207,361**	**3,245,910**

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated				
	09.30.2010				06.30.2010
	Average depreciation rates	Adjusted cost	Accumulated depreciation / amortization	Net	Net
In service					
Hydroelectric generation					
UHE Salto Santiago	2.42	645,106	(545,962)	99,144	102,812
UHE Salto Osório	2.64	336,383	(251,556)	84,827	86,528
UHE Passo Fundo	2.28	122,368	(98,327)	24,041	24,603
UHE Itá (consortium)	3.58	1,778,406	(484,697)	1,293,709	1,309,760
UHE Machadinho (consortium)	3.18	180,880	(41,536)	139,344	140,783
UHE Cana Brava	3.03	964,346	(210,384)	753,962	760,195
UHE Ponte de Pedra	3.60	1,190,350	(142,136)	1,048,214	1,059,001
UHE São Salvador	3.23	1,319,082	(46,332)	1,272,750	1,235,046
PCH Rondonópolis	4.00	184,487	(15,492)	168,995	170,678
PCH Engenheiro José Gelazio da Rocha	3.80	157,056	(14,872)	142,184	143,562
PCH Areia Branca	4.91	138,731	(3,982)	134,749	136,422
		7,017,195	**(1,855,276)**	**5,161,919**	**5,169,390**
Thermoelectric generation					
Jorge Lacerda complex	4.86	2,589,082	(1,624,899)	964,183	973,489
UTE Charqueadas	13.55	70,263	(53,801)	16,462	17,214
UTE Alegrete	3.90	8,371	(7,314)	1,057	1,071
UTE William Arjona	4.31	174,706	(86,681)	88,025	89,058
Lages Co-Generation Unit	4.37	76,141	(20,769)	55,372	56,230
UTE Ibitiúva Bioenergética	6.37	95,780	(2,032)	93,748	95,247
		3,014,343	**(1,795,496)**	**1,218,847**	**1,232,309**
Wind generation					
EOL Beberibe	4.69	185,957	(18,543)	167,414	169,669
EOL Pedra do Sal	4.78	119,262	(9,851)	109,411	110,193
		305,219	**(28,394)**	**276,825**	**279,862**
General equipment and other	10.00	**65,527**	**(32,862)**	**32,665**	**33,128**
		10,402,284	**(3,712,028)**	**6,690,256**	**6,714,689**
In progress					
Hydroelectric generation					
UHE Estreito (consortium)		2,118,161	-	2,118,161	-
UHE São Salvador		12,169	-	12,169	58,771
UHE Salto Santiago		17,762	-	17,762	13,132
PCH Areia Branca		4,455	-	4,455	4,331
Other UHE (construction work)		8,117	-	8,117	6,444
		2,160,664	**-**	**2,160,664**	**82,678**
Thermoelectric generation					
Jorge Lacerda complex		35,922	-	35,922	48,154
UTE Charqueadas		57,225	-	57,225	53,473
Other UTE (construction work)		2,080	-	2,080	1,044
		95,227	**-**	**95,227**	**102,671**
Wind generation		**30**	**-**	**30**	**584**
General equipment and other		**5,652**	**-**	**5,652**	**5,277**
		2,261,573	**-**	**2,261,573**	**191,210**
Total property, plant and equipment		**12,663,857**	**(3,712,028)**	**8,951,829**	**6,905,899**
Special liabilities		**(10,421)**	**-**	**(10,421)**	**(10,527)**
		12,653,436	**(3,712,028)**	**8,941,408**	**6,895,372**

b) Changes in property, plant and equipment

	Company			Consolidated		
	In service	In progress	Total	In service	In progress	Total
Balance as of 03.31.2010	**3,168,434**	**126,848**	**3,295,282**	**6,692,751**	**270,946**	**6,963,697**
Additions						
UHE Salto Osório	-	1,311	1,311	-	1,311	1,311
UHE Salto Santiago	-	481	481	-	481	481
UHE São Salvador	-	-	-	-	2,915	2,915
PCH Areia Branca	-	-	-	-	4,364	4,364
Jorge Lacerda complex	-	9,307	9,307	-	9,307	9,307
UTE Charqueadas	-	3,083	3,083	-	3,083	3,083
UTE Ibitiúva Bioenergética	-	-	-	-	13,458	13,458
Other plants	-	1,223	1,223	-	2,900	2,900
Transfers	17,616	(17,616)	-	114,026	(114,026)	-
Depreciation	(54,367)	-	(54,367)	(91,550)	-	(91,550)
Write-offs and transfers	(8)	-	(8)	(538)	(3,529)	(4,067)
Balance as of 06.30.2010	**3,131,675**	**124,637**	**3,256,312**	**6,714,689**	**191,210**	**6,905,899**
Additions						
UHE Estreito (consortium)	-	-	-	-	2,118,161	2,118,161
UHE Salto Osório	-	936	936	-	936	936
UHE Salto Santiago	-	4,630	4,630	-	4,630	4,630
Jorge Lacerda Complex	-	4,997	4,997	-	4,997	4,997
UTE Charqueadas	-	3,847	3,847	-	3,847	3,847
Other plants	-	2,199	2,199	-	4,169	4,169
Transfers	19,109	(19,109)	-	63,025	(63,025)	-
Depreciation	(55,082)	-	(55,082)	(87,237)	-	(87,237)
Write-offs and transfers	(182)	-	(182)	(221)	(3,352)	(3,573)
	3,095,520	**122,137**	**3,217,657**	**6,690,256**	**2,261,573**	**8,951,829**
Special liabilities	(10,296)	-	(10,296)	(10,421)	-	(10,421)
Balance as of 09.30.2010	**3,085,224**	**122,137**	**3,207,361**	**6,679,835**	**2,261,573**	**8,941,408**

Acquisition of SUEZ Energia Renovável (SER)

In August 2010, due to the recording of the acquisition of SER, R$2,118,161 was registered in the Company's consolidated property, plant and equipment, corresponding to the assets of Estreito Thermoelectric Power Plant.

c) Depreciation of assets comprising the Plants' Original Project

The Company's interpretation of Law No. 8,987/95 and Decree No. 2,003/96, is that at the end of the concession term, a compensation of the residual value established in the Original Project shall not be granted by the Concession Grantor. As a result, the Company, as of 01.01.2007, has depreciated said assets at the rates determined by Aneel, limited to the concession term, even though the agreements and the law provide for the possibility that the concession is renewed.

d) Allocation of financial charges

Loan financial charges related to the construction of power plants are recognized in construction in progress. Capitalized charges in the third quarter of 2010 were R$7,828 (R$11,410 in the third quarter of 2009).

e) Asset impairment

The Company periodically evaluates the property, plant and equipment and intangible assets aiming to identify evidence leading to the impairment of these assets, or, when events or significant changes indicate that the book value may not be recoverable. Should the book value of the asset exceed the recoverable value, this loss is recognized in the result for the period. So far, there is no impairment identified in respect of the Company's assets.

f) Restriction on assets

According to Articles 63 and 64 of Decree No. 41,019, of 02.26.1957, assets and facilities used in the generation, transmission, distribution and sale of electric power are attached to such services and cannot be removed, disposed of or pledged as mortgage guarantees without the prior and express authorization of the Regulatory Agency. Resolution 20/99 of Aneel regulates the removal of restriction on assets of Electric Power Public Utility concessions, granting previous authorization for the removal of restrictions on assets unserviceable to the concession, when meant for disposal, and further sets forth that the proceeds of disposals be deposited in a restricted bank account to be invested in the concession.

g) Assets of the Federal Government used by the Company

The Company holds and operates Alegrete Thermoelectric Power Plant, composed of two generation units with a total capacity of 66 MW and a residential village with 15 houses, located in the city of Alegrete, state of Rio Grande do Sul, owned by the Federal Government and granted under special use.

15 – INTANGIBLE ASSETS

a) Breakdown

	Company					
	09.30.2010			06.30.2010		
	Adjusted cost	Accumulated amortization	Net	Adjusted cost	Accumulated amortization	Net
License	18,640	(10,956)	7,684	16,861	(10,679)	6,182
Goodwill merged from CEM[5]	44,578	(34,164)	10,414	44,578	(33,087)	11,491
	63,218	**(45,120)**	**18,098**	**61,439**	**(43,766)**	**17,673**

	Consolidated					
	09.30.2010			06.30.2010		
	Adjusted cost	Accumulated amortization	Net	Adjusted cost	Accumulated amortization	Net
License	24,091	(11,827)	12,264	19,812	(11,515)	8,297
Electricity purchase right	64,561	-	64,561	64,561	-	64,561
Goodwill merged from CEM	44,578	(34,164)	10,414	44,578	(33,087)	11,491
Goodwill merged from Itasa	72,793	(66,555)	6,238	72,793	(65,307)	7,486
	206,023	**(112,546)**	**93,477**	**201,744**	**(109,909)**	**91,835**

[5] *Companhia Energética Meridional, wholly-owned subsidiary incorporated by the Company in 2008.*

The license and electricity purchase right have defined useful lives. The first is being amortized within five years and the second will be amortized during the effectiveness of the purchase agreement from 2013 to 2023.

Merged goodwill of CEM and Itasa also has a defined useful life and will be amortized up to February 2013 and December 2011, respectively.

b) Changes

	Company	Consolidated
Balance as of 03.31.2010	**17,417**	**112,597**
License of use	1,605	2,024
Transfer to current assets	-	(19,528)
Amortization	(1,349)	(3,258)
Balance as of 06.30.2010	**17,673**	**91,835**
License of use in the Parent Company	1,779	1,779
License of use in subsidiary SER	-	2,500
Amortization	(1,354)	(2,637)
Balance as of 09.30.2010	**18,098**	**93,477**

Goodwill paid by Seival was transferred to "Available-for-sale assets", under current assets, since the Company intends to sell Seival Project, as mentioned in Note 8.

16 – LOANS AND FINANCING

a) Breakdown

	Company					
	09.30.2010			06.30.2010		
	Current	Non-current	Total	Current	Non-current	Total
Foreign currency						
National Treasury (STN) [6]	15,534	114,189	129,723	16,201	120,217	136,418
BNP Paribas (Floating Rate Note)	-	92,836	92,836	-	87,660	87,660
Charges	8,662	-	8,662	5,202	-	5,202
	24,196	**207,025**	**231,221**	**21,403**	**207,877**	**229,280**
Domestic currency						
Eletrobras [7]	18,661	-	18,661	26,332	-	26,332
BNDES	14,965	23,694	38,659	14,965	27,435	42,400
Banco do Brasil	3,529	882	4,411	3,529	1,765	5,294
Charges	181	-	181	202	-	202
	37,336	**24,576**	**61,912**	**45,028**	**29,200**	**74,228**
	61,532	**231,601**	**293,133**	**66,431**	**237,077**	**303,508**

[6] *Figures net of deposited guarantees, which can only be withdrawn for loan amortization at maturity.*
[7] *Centrais Elétricas Brasileiras S.A. (Eletrobras).*

	Consolidated					
	09.30.2010			06.30.2010		
	Current	Non-current	Total	Current	Non-current	Total
Foreign currency						
National Treasury (STN)	15,534	114,189	129,723	16,201	120,217	136,418
BNP Paribas (Floating Rate Note)	-	92,836	92,836	-	87,660	87,660
Charges	8,662	-	8,662	5,202	-	5,202
	24,196	**207,025**	**231,221**	**21,403**	**207,877**	**229,280**
Domestic currency						
Eletrobras	18,661	-	18,661	26,332	-	26,332
BNDES	56,543	1,107,420	1,163,963	54,635	513,534	568,169
Financing agents (BNDES)	47,160	1,007,217	1,054,377	47,160	432,631	479,791
Banco do Brasil	7,495	25,009	32,504	7,495	26,883	34,378
BRDE [8]	6,834	6,265	13,099	6,834	7,974	14,808
Federal Savings Bank	5,693	46,982	52,675	5,641	47,963	53,604
Charges	8,023	-	8,023	3,978	-	3,978
	150,409	**2,192,893**	**2,343,302**	**152,075**	**1,028,985**	**1,181,060**
	174,605	**2,399,918**	**2,574,523**	**173,478**	**1,236,862**	**1,410,340**

Financing of Ibitiúva Bioenergética Thermoelectric Power Plant

In June 2010, BNDES made its first disbursement for the financing of Ibitiúva Bioenergética Thermoelectric Power Plant, in the amount of R$35,842, the second one in July amounting to R$17,505, and the third one in August, of R$10,105, totaling R$63,452. Out of this amount, R$35,689 corresponds to financial funds by means of 4.5% p.a. interest rates of BNDES' Investment Support Program (PSI). The Total loan amount is R$82,469, divided into 4 sub-credits destined to the power plant and substation; the acquisition of domestic machinery and equipment; the implementation of transmission system for the power plant's restricted interest and the interconnection with current electric network; and the payment of the last installment of the Procurement and Construction Contracts (EPC).

Acquisition of Suez Energia Renovável (SER)

In August 2010, due to the acquisition of SER, R$1,160,924 was recorded in the Company's consolidated liabilities related to the BNDES financing to construct the Estreito Thermoelectric Power Plant. On 09.30.2010, the funds pending release by BNDES during the construction period of the plant amounted to R$317,990, taking in consideration the additional credit amounts of the project approved by BNDES in September 2010 and the additional financing for social investments at Estreito Thermoelectric Power Plant.

[8] *Banco Regional de Desenvolvimento do Extremo Sul (BRDE).*

Changes in loans and financing

	Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 3.31.2010	**72,976**	**264,782**	**337,758**	**178,941**	**1,252,759**	**1,431,700**
Inflows	-	-	-	-	35,657	35,657
Transfers	15,231	(15,231)	-	41,173	(41,173)	-
Interest rates	5,704	-	5,704	27,446	2,093	29,539
Exchange variation	(497)	(11,493)	(11,990)	(497)	(11,493)	(11,990)
Interest on guarantees	-	(981)	(981)	-	(981)	(981)
Amortization - principal	(20,024)	-	(20,024)	(44,690)	-	(44,690)
Amortization - interest	(6,959)	-	(6,959)	(28,895)	-	(28,895)
Balance as of 06.30.2010	**66,431**	**237,077**	**303,508**	**173,478**	**1,236,862**	**1,410,340**
Inflows:						
- SER	-	-	-	-	1,160,924	1,160,924
- Other subsidiaries	-	-	-	-	30,383	30,383
Transfers	4,748	(4,748)	-	36,499	(36,499)	-
Interest rates	5,231	-	5,231	28,172	16,804	44,976
Capitalized interests	-	-	-	-	(7,828)	(7,828)
Exchange variation	(613)	253	(360)	(613)	253	(360)
Interest on guarantees	-	(981)	(981)	-	(981)	(981)
Amortization - principal	(12,420)	-	(12,420)	(38,314)	-	(38,314)
Amortization - interest	(1,845)	-	(1,845)	(24,617)	-	(24,617)
Balance as of 09.30.2010	**61,532**	**231,601**	**293,133**	**174,605**	**2,399,918**	**2,574,523**

b) Breakdown by foreign currency and local indices

	Company					
	09.30.2010			06.30.2010		
	Currency- in thousands	Reais	%	Currency- in thousands	Reais	%
Foreign currency						
US dollar (USD)	79,003	133,783	45.64	77,615	138,356	45.58
Euro (EUR)	42,197	97,438	33.24	41,489	90,924	29.96
		231,221	**78.88**		**229,280**	**75.54**
Local currency						
TJLP		38,812	13.24		42,569	14.03
Not indexed		23,100	7.88		31,659	10.43
		61,912	**21.12**		**74,228**	**24.46**
		293,133	**100.00**		**303,508**	**100.00**

	Consolidated					
	09.30.2010			06.30.2010		
	Currency- in thousands	Reais	%	Currency- in thousands	Reais	%
Foreign currency						
US dollar (USD)	79,003	133,783	5.20	77,615	138,356	9.81
Euro (EUR)	42,197	97,438	3.78	41,489	90,924	6.45
		231,221	**8.98**		**229,280**	**16.26**
Local currency						
TJLP		2,291,976	89.03		1,120,187	79.43
Not indexed		51,326	1.99		60,873	4.31
		2,343,302	**91.02**		**1,181,060**	**83.74**
		2,574,523	**100.00**		**1,410,340**	**100.00**

c) Changes in foreign currencies and indices

Currency – index	2010 (%)		2009 (%)	
	3rd Quarter	Accumulated	3rd Quarter	Accumulated
US dollar (USD)	(5.12)	(1.83)	(8.89)	(23.92)
Euro (EUR)	5.29	(7.44)	(5.06)	(19.67)
TJLP	1.50	4.50	1.50	4.62

d) Maturity of loans and financing under non-current liabilities

	Company			Consolidated		
	Foreign currency	Local currency	Total	Foreign currency	Local currency	Total
October to December 2011	7,644	4,623	12,267	7,644	49,523	57,167
2012	11,496	14,965	26,461	11,496	189,505	201,001
2013	7,458	4,988	12,446	7,458	168,953	176,411
2014	3,605	-	3,605	3,605	144,372	147,977
2015	92,836	-	92,836	92,836	145,226	238,062
2016 to 2023	-	-	-	-	1,120,751	1,120,751
2024 and 2025	83,986	-	83,986	83,986	374,563	458,549
	207,025	**24,576**	**231,601**	**207,025**	**2,192,893**	**2,399,918**

e) Contractual terms and conditions

	Charges	Payment conditions		
		Maturity	Charges	Principal
Foreign currency				
TBLE				
STN	*Libor* + 1.075% p.a.	04/2024	Semi-annual	Semi-annual
BNP Paribas (Floating Rate Note)	*Euribor* + 2.75% p.a.	11/2015	Annual	November 2015

	Charges	Payment conditions	
		Maturity	Principal and charges
Local currency			
TBLE			
Eletrobras	12% p.a.	04/2011	Monthly
Banco do Brasil	8.14% p.a. [c]	12/2011	Monthly
BNDES	TJLP + 4% p.a. [a]	04/2013	Monthly
Itasa			
BNDES	TJLP + 4% p.a. [a]	09/2013	Monthly
Financing agents (BNDES) [b]	TJLP + 3.85% p.a. [a]	09/2013	Monthly
Lages – (BRDE)	TJLP + 2.25% p.a. [a]	08/2012	Monthly
CESS			
BNDES	TJLP + 2.7% p.a. [a]	10/2023	Monthly
Financing agents (BNDES) [b]	TJLP + 3.25% p.a. [a]	10/2023	Monthly
SER			
BNDES	TJLP + 1,89% p.a. [a]	09/2029	Monthly, after October 2011
Financing agents (BNDES) [b]	TJLP + 2,95% p.a. [a]	09/2029	Monthly, after October 2011
Tupan – (CEF)	TJLP + 3.5% p.a. [a]	12/2019	Monthly
Hidropower – (Banco do Brasil)	8.08% p.a. [c]	10/2017	Monthly
Beberibe - (BNDES)	TJLP + 3.5% p.a. [a]	12/2023	Monthly
Pedra do Sal – (BNDES)	TJLP + 1.92% p.a. [a]	12/2023	Monthly
Areia Branca – (BNDES)	TJLP + 2.5% p.a. [a]	06/2024	Monthly
Ibitiúva			
BNDES – (Subcredit B)	4.5% p.a.	01/2020	Monthly, after February 2011
BNDES – (Subcredit A and C)	TJLP + 2.05% p.a. [a]	01/2021	Monthly, after February 2011

[a] The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the financing principal.
[b] The Funding Agents of the BNDES are Itaú Unibanco Holding S.A., Banco Bradesco, Banco Santander and Banco Votorantim.
[c] Fixed rate that includes a bonus of 15% for payments made up to the maturity date.

g) Guarantees

g.1) Tractebel Energia S.A.

Loans and financing in foreign currency

National Treasury: (a) Assignment and transfer to the Federal Government of the receivables, up to the limit sufficient to cover the payment of the installments and other charges on each maturity date; (b) pledged deposit amounting to R$60,042 on 09.30.2010 (R$61,613 on 06.30.2010), which is stated as an offsetting account of the underlying financing. There are no guarantees granted for the other loans and financing in foreign currency.

Loans and financing in local currency

Eletrobrás: (a) Powers of attorney granted to the creditor, in case of default, to transfer to its own name, the necessary amounts for the payment of the debt, from the bank account of the Company used to collect receivables; (b) promissory notes in the total amount of the financing, linked to the contractual terms.

Banco do Brasil: (a) Assignment and transfer of receivables amounting to R$8,726, represented by sales of electric power or other funds with the same purpose; (b) pledged promissory note in the amount corresponding to the financing.

BNDES: Letter of Guarantee from Itaú Unibanco Holding S.A., in the amount of R$131,966, valid up to 10.15.2013.

g.2) Itasa

BNDES and BNDES Financing Agents: (a) Pledge of concession-related rights; (b) Pledge of receivables resulting from the Electricity Purchase and Sale Agreements entered into with its shareholders; (c) reserve account in an amount equivalent to three months of the BNDES debt (substituted by bank guarantee), and three months of Itá hydroelectric power plant's contractual operation and maintenance expenses. In addition to these guarantees, the shareholders pledged all the shares of Itasa to the BNDES and the Financing Agent.

g.3) Lages

BRDE: (a) assignment of receivables from the electricity purchase agreement executed with Centrais Elétricas de Santa Catarina S.A. (Celesc); (b) assignment of receivables arising from the authorization granted by Aneel to establish itself as an independent electricity producer; (c) obligation to maintain a reserve account with a deposit equivalent to an average of four months of debt service.

g.4) CESS

BNDES and BNDES Financing Agents: (a) pledge of rights arising from the concession; (b) centralized receivables account to receive CESS receivables; and (c) obligation to maintain a Reserve Account with a deposit equivalent to three months of debt service, plus an amount equivalent to three months of payment of the Project Operation and Maintenance Agreement.

g.5) SUEZ Energia Renovável (SER)

BNDES and BNDES Financing Agents: (a) pledge of rights arising from the concession; (b) centralized receivables account to receive SER receivables; (c) obligation to maintain a Reserve Account with a deposit equivalent to three months of debt service, plus an amount equivalent to three months of payment of the Project Operation and Maintenance Agreement; (d) corporate letter of guarantee of GSELA (the Company's parent company), that shall be replaced when the ownership of the agreement is transferred to the Company; and (e) pledge of dividends payable by the Company to GSELA.

g.6) Tupan

Caixa Econômica Federal (CEF): (a) mortgage of land and properties; (b) conditional sale of equipment; (c) all shares representing the Capital Stock; and (d) Receivables and Reserve Account. The Company is negotiating the replacement of personal expenses issued by former partners, by means of a Corporate Guarantee Letter of Tractebel Energia S.A.

g.7) Hidropower

Banco do Brasil: (a) all shares representing the Capital Stock; and (b) receivables and Reserve Account. The Company is negotiating the replacement of personal guarantees issued by former partners, by means of a Corporate Guarantee Letter of Tractebel Energia S.A.

g.8) Beberibe, Pedra do Sal and Areia Branca

BNDES: (a) conditional sale of assets and equipment; (b) all shares representing the capital stock; and (c) receivables and reserve account.

g.9) Ibitiúva

BNDES: (a) conditional sale of assets and equipment; (b) all shares representing the capital stock; (c) receivables and reserve account; and (d) corporate guarantee of Tractebel Energia.

h) Covenants

The Company has the following covenants provided for in its loans and financing agreement:

Debt	Covenants
TBLE – (BNDES)	Shareholders' equity / total assets ≥ 30%
Itasa – (BNDES and financing agents)	Shareholders' equity / total assets ≥ 40%
Lages – (BRDE)	(Current + non-current liabilities) / total assets ≤ 66%
CESS – (BNDES and financing agents)	Debt service coverage ratio ≥ 1.3
SER (BNDES and financing agents)	Debt service coverage ratio ≥ 1.2
Tupan – (CEF)	(i) Shareholders' equity / total assets ≥ 21% (ii) Debt service coverage ratio ≥ 1.3 (iii) Capital stock / property, plant and equipment ≥ 21%
Hidropower – (Banco do Brasil)	(i) Shareholders' equity / total assets ≥ 0.35 (ii) EBITDA Margin [9] (EBITDA/NOR) ≥ 0.80 (iii) EBITDA (*) / financial expenses ≥ 2.70 (iv) Total financial debt / EBITDA (*) ≤ 4.0 (v) Current assets / current liabilities ≥ 1.2 (vi) Debt service coverage ratio ≥ 1.3
Beberibe, Pedra do Sal and Areia Branca – (BNDES)	Debt service coverage ratio ≥ 1,3
Ibitiúva – (BNDES)	(i) General indebtedness ratio ≥ 0.80 (ii) Debt service coverage ratio ≥ 1.3

Financial covenants established in loans and financing agreements are being executed by the Company, except for that described below.

Hidropower has debt covenants in its financing agreements which require maintenance of financial ratios, among which, current ratio, debt service coverage ratio and EBITDA margin. When such indexes are not reached, Hidropower, after being officially notified by the Financing Agent, must increase capital to cover such deficit.

Hydropower's current liabilities are above the level required by the financing agreement, which negatively affects both current ratio and debt service coverage ratio, however, the Management does not consider that the Company will fail to comply with the agreement clause and subsequently, the early maturity of debt, since its parent company, Tractebel Energia, formally expressed that it is negotiating its regularization with the bank and, if necessary, will capitalize the Company within the term set forth should the Company be notified by the Financing Agent. Until the closing of these quarterly financial statements, said notification provided for in the agreement did not occur.

Hidropower's debt is lower than the amount defined as acceleration maturity of the Company's debts.

[9] *EBITDA: Operating profit – financial result - depreciation and amortization, pursuant to the Agreement.*

17 – DEBENTURES

a) Breakdown

	09.30.2010			06.30.2010		
	Current	Non-current	Total	Current	Non-current	Total
Tractebel Energia S.A.						
1st Issue (1st Series)	144,772	-	144,772	142,951	-	142,951
2nd Issue (Single Series)	-	410,615	410,615	-	410,986	410,986
3rd Issue (Single Series)	603,699	-	603,699	600,437	2,634	603,071
4th Issue (Single Series)	-	400,630	400,630	-	400,385	400,385
Cana Brava (Single Series)	13,765	31,795	45,560	13,765	31,795	45,560
Charges	63,946	-	63,946	21,543	-	21,543
Total Company	**826,182**	**843,040**	**1,669,222**	**778,696**	**845,800**	**1,624,496**
Itasa (1st and 2nd Series)	9,786	20,475	30,261	9,173	20,475	29,648
Charges	1,772	-	1,772	1,023	-	1,023
Total Consolidated	**837,740**	**863,515**	**1,701,255**	**788,892**	**866,275**	**1,655,167**

Transaction costs incurred in funding were initially recorded as fair value reduction and the effective interest rate adjusted for purposes of appropriation of interest expenses, as required by CVM Resolution No. 556/08.

b) Changes in debentures

	Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 03.31.2010	**152,558**	**1,586,957**	**1,739,515**	**163,330**	**1,611,527**	**1,774,857**
Transfers	747,046	(747,046)	-	751,141	(751,141)	-
Interest	40,136	-	40,136	40,962	-	40,962
Monetary variations	3,793	5,889	9,682	4,705	5,889	10,594
Amortization - principal	(70,441)	-	(70,441)	(75,222)	-	(75,222)
Amortization - interests	(94,396)	-	(94,396)	(96,024)	-	(96,024)
Balance as of 06.30.2010	**778,696**	**845,800**	**1,624,496**	**788,892**	**866,275**	**1,655,167**
Transfers	5,009	(5,009)	-	5,009	(5,009)	-
Interest	43,351	-	43,351	44,100	-	44,100
Monetary variations	(938)	2,249	1,311	(325)	2,249	1,924
Other	64	-	64	64	-	64
Balance as of 09.30.2010	**826,182**	**843,040**	**1,669,222**	**837,740**	**863,515**	**1,701,255**

c) Contractual terms and conditions

			Payment Conditions		
	Outstanding	Remuneration	Interest rate/monetary restatement	Principal	Collateral
Company					
1st Issue - 1st Series	14,000	IGPM + 9.29% p.a.	Annual on 05.02	Lump sum on 05.02.11	Unsecured
2nd Issue- Single Series	35,000	IPCA + 7% p.a.	Annual on 05.15	3 installments on 05.15.12/13/14	Unsecured
3rd Issue - Single Series	60,000	117% of CDI	Semiannual on 04.01 and 10.01	Lump sum on 04.01.11	Unsecured
4th Issue - Single Series	400	110% of CDI	Semiannual on 05.05 and 11.05	5 installments on 11.05.11 to 11.15.11	Unsecured
Cana Brava - Single Series	7,773	TJLP + 4% p.a. [10]	Semiannual on 04.01and 10.01, up to 04.01.13	Semiannual on 04.01 and 10.01, up to 04.01.13	Receivables from energy trading
Itasa - 1st and 2nd Series	8,400	IGPM + 9.4% p.a.	Annual on 12.01 (1st series) and 06.01 (2nd series)	Annual, on 12.01 (1st series) and 06.01 (2nd series), up to 12.01.13 (1st series) and 06.01.13 (2nd series)	Pledge of receivables

d) Changes in indices

	2010 (%)		2009 (%)	
Currency – index	3rd Quarter	Accumulated	3rd Quarter	Accumulated
TJLP	1.50	4.50	1.50	4.62
IGP-M	2.08	7.89	(0.37)	(1.60)
CDI	2.57	6.97	2.15	7.59
IPCA	0.05	3.14	0.63	3.21

e) Maturities of debentures stated in non-current liabilities

	Company	Consolidated
October to December 2011	86,475	90,570
2012	232,791	240,981
2013	225,758	233,948
2014	217,483	217,483
2015	80,533	80,533
	843,040	**863,515**

[10] *The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the debentures' par value.*

f) Covenants

The Company has the following covenants established in its debenture contracts:

Debt	Covenants
Company:	
1st, 2nd and 3rd issuances	EBITDA[11(*)] /consolidated financial expenses ≥ 2.0 Consolidated debt/EBITDA(*) ≤ 2.5
4th issuance	EBITDA(*) /consolidated financial expenses ≥ 2.0 Consolidated debt/EBITDA(*) ≤ 3.5
Cana Brava (Single series)	Shareholders' equity / total assets ≥ 30%
Itasa - 1st and 2nd Series	Shareholders' equity / total assets ≥ 40%

The Company has been fully complying with the financial covenants provided for in the debentures contracts.

18 – SUPPLIERS

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Current				
Electricity purchase	53,329	53,066	100,250	100,639
Transactions within CCEE	370	370	1,510	691
Electric network usage charges	76,675	74,944	82,399	80,915
Fossil fuels/biomass	20,576	3,236	18,836	3,268
Materials and services	26,461	38,807	116,066	76,667
	177,411	**170,423**	**319,061**	**262,180**

19 – TAXES PAYABLE

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Current				
Income tax	239,517	158,210	240,835	159,281
Social contribution tax	79,113	52,963	79,971	53,595
ICMS	8,837	8,436	29,701	33,244
PIS and Cofins	22,464	16,628	24,120	18,610
INSS	3,673	3,687	4,038	4,090
Other	1,236	1,174	2,575	1,330
	354,840	**241,098**	**381,240**	**270,150**

The Company has been paying income and social contribution taxes monthly based on the estimated calculation basis, in accordance with prevailing legislation.

[11] *EBITDA: Operating profit - financial result - depreciation and amortization, pursuant to the Agreement.*

20 – ESTIMATED LIABILITIES

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Current				
Provision for vacation, 13th salary and charges	20,679	16,877	21,838	17,102
Provision for profit sharing and management bonus	21,145	13,499	21,145	13,499
Voluntary dismissal program	7,149	6,148	7,149	6,148
Provision for insurance premium	7,106	7,106	8,666	8,666
Other	390	558	390	691
	56,469	**44,188**	**59,188**	**46,106**
Non-current				
Voluntary dismissal program	2,421	2,207	2,421	2,207
	2,421	**2,207**	**2,421**	**2,207**

21 – RESEARCH AND DEVELOPMENT PROGRAM LIABILITIES (R&D)

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Current				
FNDCT	2,092	1,806	2,443	2,049
MME	1,046	902	1,222	1,025
Projects	8,601	12,220	8,601	12,220
	11,739	**14,928**	**12,266**	**15,294**
Non-current				
Projects	35,247	31,180	41,522	36,857
	35,247	**31,180**	**41,522**	**36,857**

22 – RESERVES FOR CONTINGENCIES

The Company has tax assessment notices and civil matters which are being challenged on an administrative basis, as well as legal proceedings, some of which, according to the Company's legal counsels, the likelihood of loss is considered probable. All these proceedings are accrued in amounts considered sufficient to cover future disbursements necessary to settle the contingencies.

a) Breakdown

	Company					
	09.30.2010			06.30.2010		
	Gross reserve	Judicial deposit	Net reserve	Gross reserve	Judicial deposit	Net reserve
Tax						
INSS	29,369	(17,960)	11,409	28,630	(17,515)	11,115
Social contribution tax	114	-	114	112	-	112
	29,483	**(17,960)**	**11,523**	**28,742**	**(17,515)**	**11,227**
Civil						
Agreements with suppliers	22,831	-	22,831	22,682	-	22,682
Pension benefits	25,838	-	25,838	25,488	-	25,488
Occupational diseases and accidents	12,643	(2,407)	10,236	12,741	(1,085)	11,656
Environmental	4,127	-	4,127	4,074	-	4,074
Sundry lawsuits	2,947	-	2,947	2,700	(679)	2,021
	68,386	**(2,407)**	**65,979**	**67,685**	**(1,764)**	**65,921**
Labor	**14,164**	**(4,727)**	**9,437**	**14,639**	**(5,605)**	**9,034**
	112,033	**(25,094)**	**86,939**	**111,066**	**(24,884)**	**86,182**
Classification in balance sheet						
Current			11,560			12,560
Non-current			75,379			73,622
			86,939			**86,182**

	Consolidated					
	09.30.2010			06.30.2010		
	Gross reserve	Judicial deposit	Net reserve	Gross reserve	Judicial deposit	Net reserve
Tax						
INSS	29,369	(17,960)	11,409	28,630	(17,515)	11,115
Social contribution tax	114	-	114	112	-	112
	29,483	**(17,960)**	**11,523**	**28,742**	**(17,515)**	**11,227**
Civil						
Agreements with suppliers	22,831	-	22,831	22,682	-	22,682
Pension benefits	25,838	-	25,838	25,488	-	25,488
Occupational diseases and accidents	12,643	(2,407)	10,236	12,741	(1,085)	11,656
Transmission System Usage Tariff (Tust)	34,207	(27,514)	6,693	31,926	(26,810)	5,116
Environmental	4,127	-	4,127	4,074	-	4,074
Sundry lawsuits	7,730	-	7,730	7,405	(679)	6,726
	107,376	**(29,921)**	**77,455**	**104,316**	**(28,574)**	**75,742**
Labor	**14,164**	**(4,727)**	**9,437**	**14,639**	**(5,605)**	**9,034**
	151,023	**(52,608)**	**98,415**	**147,697**	**(51,694)**	**96,003**
Classification in balance sheet						
Current			11,658			12,658
Non-current			86,757			83,345
			98,415			**96,003**

Tax contingencies

National Institute of Social Security (INSS)

The main contingencies related to INSS are the following:

The Company received a tax deficiency notice (NFLD) for the nonpayment of the additional contribution for SAT (Occupational Accident Insurance) for the period from April 1999 to March 2004, due to the lack of evidence of the risk factor related to the workplace. The Company argues that there is no basis in the legislation referred to in the notice for the mentioned period, and that the additional contribution is payable if the employee is entitled to a special retirement benefit, which is not the case in said period. The Social Security Board of Appeals denied our claim. The Company filed a legal process to discuss the judgment on the merit. On 09.30.2010 the remaining balance was R$16,077 (R$15,676 on 06.30.2010).

The Company was also notified by the INSS because of the alleged nonpayment of social security charges on compensation paid to employees. The subject-matter of the notification was challenged by the Company, which argued that the amounts paid as a result of collective labor agreements were paid as indemnities. The lower court decision was favorable to the Company, and declared the tax deficiency notice null and void and the INSS was sentenced to refund the deposits converted into revenue. Due to the appeal filed by the National Treasury, this lawsuit is awaiting decision by the Superior Court of Justice (STJ). The amount provided on 09.30.2010 is R$9,800 (R$9,555 on 06.30.2010).

Civil contingencies

Agreements with suppliers

The main contingency basically refers to an indemnity lawsuit filed by Companhia de Interconexão Energética (Cien), claiming the recognition of the right to receive the difference related to the exchange adjustment provided for in the electricity sale agreement, and the termination of such agreement due to an alleged breach of a clause by Tractebel Energia. The lawsuit was suspended on 04.23.2007 by request of Cien, after the Company filed its defense arguments. On 06.16.2009, it was established the notification of Aneel with the purpose of acknowledging the interest of such regulatory agency in said lawsuit. On 08.25.2009, the Supreme Court, after hearing Aneel, decided that Aneel is not obliged to participate in the lawsuit and returned the process to the State Justice. On 05.12.2010, an order was issued referring to the Interlocutory Appeal filed at the Regional Federal Court of 4th Region, which did not have its supersedeas request examined yet. Thus, the lower court judge ordered the Company to await for eventual decision on supersedeas, before carrying on whit the lawsuit. Therefore, decision on supersedeas request prepared in the records of the Interlocutory Appeal is pending, referring to and including Aneel in the lawsuit as an indispensable defendant. The amount provided on 09.30.2010 is R$17,362 (R$17,204 on 06.30.2010).

Pension benefit

It refers to the lawsuit filed against Fundação Eletrosul de Previdência e Assistência Social (ELOS) and Eletrosul Centrais Elétricas S.A. (Eletrosul), whereby ELOS parties require the annulment statement of the contribution payroll limit or, alternately, that the options made by the ones that limited the payroll of its contribution be declared inefficient. The Company acts as a defendant's assistant, due to the partial spin-off of Eletrosul, with the creation of Centrais Geradoras do Sul do Brasil (Gerasul), former name of Tractebel Energia. A lower court decision, confirmed by the Appeals Court of the State of Santa Catarina in a Decision pending the judgment of embargoes, is against the interests of ELOS and Eletrosul. Currently, parties are attempting to reach an agreement. The amount provided on 09.30.2010 is R$25,561 (R$25,214 on 06.30.2010).

Occupational diseases and accidents

These refer to lawsuits filed by former employees, mainly related to repetitive strain injuries and possible damages to hearing capacity. The initial forecasts of an adverse judgment have not been confirmed, and the results of these lawsuits have been extensively favorable to the Company. The provision is formed for each cause, considering the likely future disbursement the Company expects to have to make in order to conclude the lawsuit through an agreement or by an adverse judgment.

Transmission System Usage Tariff (Tust)

It refers to the lawsuit filed by indirect subsidiary PPESA, aimed at reducing the amount payable for the Tust in the amount equivalent to that charged from Itiquira Hydroelectric Power Plant. From June 2006 to January 2007, PPESA started paying Tust with a reduction and providing and depositing in court the difference between the amount charged and the amount paid. As of February 2007, PPESA substituted the judicial deposits for a letter of guarantee. With a view to reduce the guarantee cost, the Company pledged liquid assets to said guarantee, which are being presented as contra account to this provision.

Environmental

The Company accrued the amount of R$4,127 (R$4,074 on 06.30.2010) related to four environmental lawsuits; three of them refer to the reforestation of permanent preservation areas (APP) surrounding the Salto Santiago Hydroelectric Power Plant's reservoir and one lawsuit refers to alleged damages caused due to the Cana Brava Hydroelectric Power Plant's reservoir overload. These lawsuits are in the procedural process.

Sundry lawsuits

These mainly derive from injunctions pleading rural resettlement or issue of a letter of credit and compensatory actions filed by individuals and legal entities alleging that their properties were flooded by the plants reservoirs.

Labor contingencies

These refer to ongoing labor lawsuits filed by former employees, unions and employees of outsourced companies mainly related to claims of recognition of employment relationship and reinstatement. Other labor lawsuits are related to claims of hazardous duty premium, overtime, salary parity, commuting hours, and FGTS (severance pay fund).

b) Change in provisions

	Company			
	Tax	Civil	Labor	Gross reserve
Balance as of 03.31.2010	**28,121**	**66,299**	**14,289**	**108,709**
Additions	-	-	525	525
Adjustments	621	1,945	467	3,033
Payments	-	-	(52)	(52)
Reversals	-	(559)	(590)	(1,149)
Balance as of 06.30.2010	**28,742**	**67,685**	**14,639**	**111,066**
Additions	-	-	390	390
Adjustments	741	740	270	1,751
Payments	-	-	(551)	(551)
Reversals	-	(39)	(584)	(623)
Balance as of 09.30.2010	**29,483**	**68,386**	**14,164**	**112,033**

	Consolidated			
	Tax	Civil	Labor	Gross reserve
Balance as of 03.31.2010	**28,121**	**99,891**	**14,289**	**142,301**
Additions	-	1,885	525	2,410
Adjustments	621	3,099	467	4,187
Payments	-	-	(52)	(52)
Reversals	-	(559)	(590)	(1,149)
Balance as of 06.30.2010	**28,742**	**104,316**	**14,639**	**147,697**
Additions	-	1,791	390	2,181
Adjustments	741	1,308	270	2,319
Payments	-	-	(551)	(551)
Reversals	-	(39)	(584)	(623)
Balance as of 09.30.2010	**29,483**	**107,376**	**14,164**	**151,023**

c) Contingencies of possible or remote risk

The Company is also a party to other lawsuits that, in the opinion of the legal counsel, based on their experience in similar cases, do not represent a probable risk of future disbursement and, therefore, have not been accrued but only disclosed in the explanatory notes. The amounts involved are detailed below:

	Company					
	09.30.2010					06.30.2010
	Possible risk	Remote risk	Gross total	Judicial deposit	Net total	Net total
Tax	75,250	159,486	234,736	(14,870)	219,866	214,452
Civil	15,111	511	15,622	(6,932)	8,690	12,257
Labor	8,235	21,453	29,688	(1,313)	28,375	24,949
	98,596	**181,450**	**280,046**	**(23,115)**	**256,931**	**251,658**
Tax [(*)]	-	-	-	(37,889)	(37,889)	(144,604)
	98,596	**181,450**	**280,046**	**(61,004)**	**219,042**	**107,054**

	Consolidated					
	09.30.2010					06.30.2010
	Possible risk	Remote risk	Gross total	Judicial deposit	Net total	Net total
Tax	75,361	159,486	234,847	(14,981)	219,866	214,452
Civil	17,994	529	18,523	(8,947)	9,576	15,374
Labor	8,235	21,453	29,688	(1,313)	28,375	24,949
	101,590	**181,468**	**283,058**	**(25,241)**	**257,817**	**254,775**
Tax (*)	-	-	-	(37,889)	(37,889)	(144,604)
	101,590	**181,468**	**283,058**	**(63,130)**	**219,928**	**110,171**

(*) See notes below.

The Company has judicial deposits linked to reserves for possible and remote risks that are mostly required to guarantee sentence execution or appeals. These amounts are monetarily adjusted and included in non-current assets.

As mentioned below, due to a final and unappealable decision related to the illegal application of Normative Ruling No. 468/2004 (IN 468/2004), as from the second quarter 2010, the Company no longer includes in the charts above the corresponding tax contingency, previously assessed as possible risk, in the amount of R$383,191.

However, the Company still has pending PIS and Cofins judicial deposits related to the period from July to October 2006 amounting to R$37,889, when IN 658/2006 was already in effect. With the issue of the court order the amounts deposited until June 2006 were partially withdrawn, (IN 468/2004) in the amount of R$108,578. The R$37,889 withdrawal of remaining deposits depends of the decision of the special appeal at the High Court of Justice, which aims at maintaining the Company subject to the cumulative basis of PIS/Cofins contributions set forth in Law 10,833/2003, Law 11,196/2005 and IN 658/2006.

Tax contingencies of possible risk

The main subjects of contingencies considered by the Company and its legal advisors as possible risk are:

Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Income (CSLL)

The main tax deficiency notices deemed as possible risks result from deficiency notices issued by the Federal Revenue Service Office, because the Company offset income and social contribution taxes debts in spontaneous confession, through a Electronic Refund or Reimbursement Request and Offset Declaration (PER/DCOMP), not subject to fines. Accordingly, the Federal Revenue Service partially approved the offset requests and the Company filed noncompliance notices, which are awaiting judgment. The Company argues that tax authorities cannot charge a penalty against a company that held tax credits and spontaneously reported its debts. The adjusted amount of the tax deficiency notice on 09.30.2010 is R$46,781 Company and consolidated (R$45,612 on 06.30.2010).

Tax loss carryforwards in the succession and waiver of fines in spontaneous confession

On 06.11.2008, the Judgment Office of Florianópolis issued a ruling in favor of the Company, regarding the notice of tax assessment issued by the Brazilian Federal Revenue, due to the use of tax loss carryforwards in the calendar year 2003, originated from the merger operations. In the notice of tax assessment, the tax authorities demanded the payment of taxes settled in arrears by the Company, with no fine levied, by means of existing tax credit payment as provided by the charter of spontaneous confession set forth in Article 138 of CTN.

Amounts related to tax loss carryforwards derive from the merger of a company held on 04.29.1998, which were used after the amendment to the tax legislation introduced by Provisional Measure (MP) 2,158-35/01, prohibiting the use of negative basis from mergers, incorporations or spin-offs of companies.

As the merger took place before said MP prohibited the use of taxes, when it was still possible to use tax loss carryforwards from the former company, the Company understands that the new rule does not encompass the merger brought in effect, considering that the amounts were added to its records, as successor company, ensuring the right to use said amounts. Said issues were accepted by the Judgment Office.

Regarding the settlement of overdue taxes, without application of fine, before any administrative procedure or enforcement measure, with the use of tax credits, the Company understands that said situation complies with the charter of Spontaneous Confession set forth in Article 138 of CTN. However, said understanding was not accepted by the Judgment Office of Florianópolis.

The lawsuit is pending before the First Panel of the 7th Chamber with mandatory appeal to CARF, issued by the Brazilian Federal Revenue, and with voluntary appeal from the Company exclusively focusing on the non-levy of the delinquency charge. The restated amount of the assessment in the Company and in the consolidated is R$23,545 on 09.30.2010.

INSS

Tax deficiency notice related to the social security contribution collection notices on indemnities. The Company was partially considered not guilty at the administrative level and filed a lawsuit, in which it obtained a favorable decision at the lower court. Currently, the Company is awaiting judgment of the INSS appeal. On 09.30.2010, the adjusted amount is R$4,179 (R$4,075 on 06.30.2010).

Tax contingency of remote risk

The main contingencies deemed by the Company and its legal advisors as remote risk are as follows:

PIS and Cofins recovery

In 1998, Law 9,718 was published, extending the PIS and Cofins calculation basis that, up till that date, only accrued on the companies' income.

The Company challenged in court the constitutionality of said Law, obtaining a favorable decision, which enabled its settling the contributions calculated on several revenues resulting from the income for the period assessed from February 1999 to November 2002, for PIS, and February 1999 to January 2004, for Cofins.

The main revenue calculated in the amount to offset regards the accounting item named "Fuel Consumption Account (CCC) subsidy revenue".

In 2009, the RFB notified the Company to collect the amount of R$135,982, interest and fines already included, referring to the period from April 2004 to January 2007, arguing that the "CCC subsidy" represents a billing and, therefore, it should be included in the calculation basis of PIS and Cofins for the period abovementioned. The total updated notification amount on 09.30.2010 is R$151,270 (R$149,883 on 06.30.2010).

According to the evaluation of the Company's legal counsels, RFB's arguments are not valid and can be easily questioned, considering the concept attributed to the treatment of the "CCC subsidy", for the purpose of accounting for fossil fuel consumed by electricity generators, was not compatible with the legal nature of the revenue. Thus, the Company filed a statement of discontentment at the administrative level and, if necessary, the Company will file it in the judiciary level. Even if the "CCC subsidy" had the revenue nature, which it does not, it would not represent an "income" that was the only revenue subject to taxation by PIS and Cofins.

In fact, up to 2005, the fuel acquired with CCC/CDE funds was recorded due to its consumption in the plants as "operational cost" against "subsidy" revenue.

Aneel altered the Accounting Manual of the Electric Power Public Utility in order to change the concept that had been used improperly and, as from 2006, the accounting entry now is "operational cost" against a contra account to neutralize results. This change is strongly based on Technical Notes issued by said Agency.

In view of the mentioned above, the Management understands that the risk of loss in the lawsuit is remote. The lawsuit is pending judgment at the Brazilian Federal Revenue Service of Florianópolis, 4th Panel.

Civil contingencies

Possible risk civil lawsuits refer basically to expropriations and indemnity lawsuits filed by individuals and legal entities that allege that their properties were flooded by the plants reservoirs.

Labor contingencies

Possible risk labor contingencies refer mainly to lawsuits filed by former employees claiming recognition of employment relationship, reinstatement and additional pension benefits.

23 – CONCESSION FEES PAYABLE

	Company		Consolidated	
	09.30.2010	06.30.2010	09.30.2010	06.30.2010
Cana Brava plant	351,953	338,138	351,953	338,138
Ponte de Pedra plant	-	-	329,371	317,050
São Salvador plant	-	-	369,512	368,621
Estreito plant	-	-	41,799	-
	351,953	**338,138**	**1,092,635**	**1,023,809**
Classification in balance sheet				
Current	1,963	1,922	41,020	38,525
Non-current	349,990	336,216	1,051,615	985,284
	351,953	**338,138**	**1,092,635**	**1,023,809**

In order to accurately reflect, in shareholders' equity, the concession fee and the related obligation to the Federal Government, the amounts of the concessions were recorded in property, plant and equipment against current and non-current liabilities.

Considering that contractual amounts are stated at future prices, the Company adjusted them to present value based on a discount rate of 10% p.a. for the Cana Brava Hydroelectric Power Plant and São Salvador Hydroelectric Power Plant, as provided for in the corresponding invitations to bid for the concessions, 8.28% p.a. for the Ponte de Pedra Hydroelectric Power Plant and 7% p.a. for the Estreito Hydroelectric Power Plant, reflecting market rates on the date of the company acquisition.

Until startup of the Plants, the adjustment of liabilities based on the discount rate and monetary variation was capitalized in assets and, thereafter, recognized directly in the statement of income.

The Company has undertaken the obligation to pay the Federal Government the amounts shown below for the concession granted to operate Cana Brava, Ponte de Pedra, São Salvador and Estreito Hydroelectric Power Plants, in monthly installments equivalent to one-twelfth (1/12) of the corresponding annual fees, adjusted based on the annual variation of the IGP-M (Cana Brava, Ponte de Pedra and Estreito Hydroelectric Power Plants) and IPCA (São Salvador Hydroelectric Power Plants).

The historical and adjusted amounts on 09.30.2010 are as follows:

Cana Brava HPP	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
From 10.01.2010 to 07.31.2023	680	8,727	1,963	25,193
From 08.01.2023 to 07.31.2033	61,280	612,800	176,907	1,769,067
		621,527		**1,794,260**

Ponte de Pedra HPP	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
From 10.01.2010 to 09.30.2019	200	1,850	519	4,671
From 10.01.2019 to 09.30.2020	16,200	16,200	42,041	42,041
From 10.01.2020 to 09.30.2034	31,109	435,531	80,733	1,130,263
		453,581		**1,176,975**

São Salvador HPP	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
From 10.01.2010 to 04.30.2037	19,820	**528,529**	38,552	**1,023,790**

Estreito HPP	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
From 03.01.2011 to 12.31.2037	1,789	**47,992**	3,486	**93,538**

a) Change

	Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 03.31.2010	**1,872**	**319,448**	**321,320**	**37,883**	**950,208**	**988,091**
Transfers	513	(513)	-	10,485	(10,485)	-
Interest	-	7,607	7,607	-	22,557	22,557
Monetary variations	-	9,674	9,674	-	23,004	23,004
Amortizations	(463)	-	(463)	(9,843)	-	(9,843)
Balance as of 06.30.2010	**1,922**	**336,216**	**338,138**	**38,525**	**985,284**	**1,023,809**
Estreito HPP Concession	-	-	-	1,933	39,866	41,799
Transfers	506	(506)	-	10,504	(10,504)	-
Interest	-	7,964	7,964	-	23,342	23,342
Monetary variations	-	6,316	6,316	-	13,627	13,627
Amortizations	(465)	-	(465)	(9,942)	-	(9,942)
Balance as of 09.30.2010	**1,963**	**349,990**	**351,953**	**41,020**	**1,051,615**	**1,092,635**

b) Maturities of concession fees payable stated in non-current liabilities

	Company	Consolidated
October to December 2011	491	10,000
2012	1,963	37,866
2013	1,963	34,687
2014	1,963	31,791
2015	1,963	29,155
2016	1,963	26,745
After 2016	339,684	881,371
	349,990	**1,051,615**

24 – POST-EMPLOYMENT BENEFITS

The Company, through PREVIG – Sociedade de Previdência Complementar maintains supplementary pension plan benefits for its employees. PREVIG is a nonprofit closed pension entity governed by private law, sponsored by the Company, as Founder, and by other GDF-SUEZ Group companies in Brazil.

The Company, on 05.15.2007, executed agreements with ELOS, Eletrosul, PREVIG and Associação de Aposentados da Eletrosul aiming at reestablishing the adherence with Elos, allowing retirees to chose to stay in ELOS or transfer to PREVIG; in both options the Company should sponsor the Plan.

The benefit plans managed by PREVIG are of the Defined Benefit (DB) and Defined Contribution (DC) types, and the one managed by ELOS and sponsored by the Company is of the DB type. DB plan is closed to new employee enrollments.

Part of the actuarial liabilities recognized in the balance sheet is covered by obligations contracted and/or recognized through a debt acknowledgement agreement and an agreement entered into by the Company and the pension plan entities. The breakdown of liabilities recognized in the financial statements is as follows:

	Company and Consolidated					
	09.30.2010			06.30.2010		
	Current	Non-current	Total	Current	Non-current	Total
Contracted/recognized obligations						
Agreement of acknowledgement of past debts	20,428	113,207	133,635	21,144	118,066	139,210
Non-contracted actuarial liabilities						
Coverage of costs relating to SB-40 [12] and current contributions	1,614	2,837	4,451	1,600	3,075	4,675
Actuarial deficit and confidentiality bonus	3,637	238,139	241,776	3,625	233,782	237,407
Recorded actuarial liability	**25,679**	**354,183**	**379,862**	**26,369**	**354,923**	**381,292**

Contracted debts are adjusted based on the INPC disclosed by the Brazilian Geography and Statistics Institute (IBGE) and bear interest of 6% p.a. The contracted amounts stated in non-current liabilities are expected to be paid as follows:

	ELOS	PREVIG	Total
October to December 2011	3,910	470	4,380
2012	14,449	2,022	16,471
2013	15,338	2,144	17,482
2014	16,281	1,740	18,021
2015	2,679	1,571	4,250
2016 to 2029	38,549	14,054	52,603
	91,206	**22,001**	**113,207**

Changes in post-employment benefits are summarized below:

	Pension plan	Confidentiality bonus	Total
Liabilities recorded as of 03.31.2010	**382,521**	**535**	**383,056**
2Q10 expenses	6,204	77	6,281
Contributions	(8,019)	-	(8,019)
Benefits paid	-	(26)	(26)
Liabilities recorded as of 06.30.2010	**380,706**	**586**	**381,292**
3Q10 expenses	6,203	77	6,280
Contributions	(7,699)	-	(7,699)
Benefits paid	-	(11)	(11)
Liabilities recorded as of 09.30.2010	**379,210**	**652**	**379,862**

The amounts to be recognized in the statement of income from October to December 2010, related to the defined benefit plan and the confidentiality bonus, are as follows:

	Pension plan	Confidentiality bonus	Total
Cost of current service	52	13	65
Cost of interest	29,870	39	29,909
Expected return on plan assets	(23,753)	-	(23,753)
Amortization of actuarial losses	69	25	94
Employees' contribution	(35)	-	(35)
	6,203	**77**	**6,280**

Administrative expenses under the Company's responsibility in the third quarter of 2010 were R$507 (R$373 in the same period of 2009).

[12] *Conversion of special retirement into retirement for length of service.*

25 – SHAREHOLDERS' EQUITY

a) Authorized capital

The Company is authorized to increase its capital up to the limit of R$5,000,000, regardless of any amendment to its bylaws. Under the New Market listing regulations, the Company cannot issue preferred shares or founder shares. The Company does not hold treasury shares.

b) Subscribed and paid-up capital

The Company is a publicly-traded company incorporated in accordance with the Brazilian laws and listed on the New Market of the São Paulo Securities, Commodities and Futures Exchange (BM&FBOVESPA S.A.).

On 09.30.2010, the Company's fully subscribed and paid-up capital is R$2,445,766, represented by 652,742,192 registered common shares without par value. The book value per share in reais on 09.30.2010 is R$6.49 (R$6.44 per share as of 06.30.2010).

The Company's ownership structure is as follows:

Shareholders	09.30.2010 and 06.30.2010
GDF SUEZ Energy Latin America Participações Ltda. (GSELA)	68.71
Banco Clássico S.A.	10.00
Others	21.29
	100.00

The Company's number of outstanding shares is as follows:

	Total Company shares	Total shares held by Controlling Shareholder and Management	Total outstanding shares
Balance as of 06.30.2010	**652,742,192**	**448,847,213**	**203,894,979**
Rental of Management shares	-	(196,700)	196,700
Balance as of 06.30.2010	**652,742,192**	**448,650,513**	**204,091,679**

c) Breakdown of reserves

	09.30.2010 and 06.30.2010
Capital Reserve	
Remuneration of assets and rights established with own capital	**91,695**
Profit Reserve	
Legal reserve	361,974
Profit retention reserve	781,832
	1,143,806

The profit retention reserve was established based on capital budget approved at the Annual General Meeting, chiefly for investments in the acquisition of the Estreito Hydroelectric Plant, in the construction of Ibitiúva Bioenergética, Areia Branca, São Salvador and Estreito Plants, and in the maintenance of the Company's generation complex.

26 – BREAKDOWN OF OPERATING EXPENSES BY TYPE

	Company					
	2010					2009
	3rd Quarter					3rd Quarter
	Cost		Expenses			
	Electricity production	Services provided	Selling	General and administrative	Total	Total
Personnel	30,507	1,426	2,373	12,913	47,219	42,322
Management	-	-	-	4,373	4,373	2,410
Materials	4,521	90	9	459	5,079	4,400
Outsourced services	17,059	587	248	10,839	28,733	22,383
Fuel	22,849	-	-	-	22,849	7,919
Royalties [13]	30,630	-	-	-	30,630	28,404
Depreciation and amortization	54,733	-	-	1,703	56,436	53,720
Insurance	1,819	104	-	109	2,032	2,683
Sector contributions	-	-	595	52	647	662
Inspection fee	-	-	-	2,343	2,343	2,162
Rentals	1,286	20	56	1,048	2,410	2,028
Contributions and donations	177	153	-	1,791	2,121	2,128
Other	465	(38)	6	4,689	5,122	9,429
	164,046	**2,342**	**3,287**	**40,319**	**209,994**	**180,650**

	Consolidated					
	2010					2009
	3rd Quarter					3rd Quarter
	Cost		Expenses			
	Electricity production	Services provided	Selling	General and administrative	Total	Total
Personnel	30,722	1,426	2,373	13,056	47,577	42,769
Management	-	-	-	4,562	4,562	2,538
Materials	5,888	90	9	464	6,451	5,048
Outsourced services	23,301	587	297	11,367	35,552	26,838
Fuel	25,304	-	-	-	25,304	10,091
Royalties	36,329	-	-	-	36,329	33,138
Depreciation and amortization	86,916	-	-	2,958	89,874	84,488
Insurance	2,371	104	-	109	2,584	3,160
Sector contributions	-	-	821	95	916	940
Inspection fee	-	-	-	2,812	2,812	2,472
Rentals	2,143	20	56	1,052	3,271	2,707
Contributions and donations	201	153	-	1,832	2,186	2,257
Other	978	(38)	7	10,216	11,163	9,686
	214,153	**2,342**	**3,563**	**48,523**	**268,581**	**226,132**

[13] *Financial compensation for the use of water resources (Royalties)*

27 – GAINS IN LAWSUITS

As mentioned in Note 22, in the second quarter of 2010, the Company recognized non-recurrent revenue of R$45,803, due to final and unappealable decision related to the lawsuit pleading the right of levying PIS and Cofins over revenues deriving from agreements executed prior to 10.31.2003, within a term exceeding one year and at a previously determined price, based on the cumulative taxation system provided for in previous laws.

28 – REVERSAL (RECORDING) OF OPERATING PROVISIONS, NET

	Company			
	2010		2009	
	3rd Quarter	Accumulated	3rd Quarter	Accumulated
Post-employment benefits	57	(11)	317	10,564
Civil contingencies	701	2,579	497	19,712
Tax contingencies	741	1,191	(4,131)	(12,502)
Labor contingencies	(475)	(1,891)	81	(2,295)
Reversal of provision for investment losses	(1,921)	(1,921)	-	-
	(897)	**(53)**	**(3,236)**	**15,479**

	Consolidated			
	2010		2009	
	3rd Quarter	Accumulated	3rd Quarter	Accumulated
Post-employment benefits	57	(11)	317	10,564
Civil contingencies	3,032	10,801	2,907	25,300
Tax contingencies	741	1,191	(4,131)	(12,502)
Labor contingencies	(475)	(1,891)	81	(2,295)
Reversal of provision for investment losses	(1,921)	(1,921)	-	-
Other	-	-	598	598
	1,434	**8,169**	**(228)**	**21,665**

29 – FINANCIAL RESULT

	Company			
	2010		2009	
	3rd Quarter	Accumulated	3rd Quarter	Accumulated
Financial income				
Income from temporary cash investments	21,651	51,113	7,724	25,473
Interest on receivables	2,154	6,537	147	7,304
Monetary variation on judicial deposits	3,682	11,234	1,808	11,552
Other	501	5,300	472	4,084
	27,988	**74,184**	**10,151**	**48,413**
Financial expenses				
Loan charges	48,582	132,867	37,719	125,668
Payment of deposited guarantees (STN)	(981)	(2,959)	(974)	10,740
Interest on Aneel concessions	7,964	23,009	7,130	20,984
Interest on actuarial liabilities	6,155	18,467	11,949	35,848
Interest on taxes	63	20,284	300	6,244
Monetary variation on financing and debentures	1,311	23,643	1,776	9,875
Monetary variation on Aneel concessions	6,316	21,048	(2,769)	(6,604)
Other monetary variations	4,908	8,160	669	3,303
Exchange variation on loans	(360)	(9,905)	(21,967)	(70,676)
Other	2,812	7,958	4,916	10,403
	76,770	**242,572**	**38,749**	**145,785**
Financial expenses, net	**48,782**	**168,388**	**28,598**	**97,372**

	Consolidated			
	2010		2009	
	3rd Quarter	Accumulated	3rd Quarter	Accumulated
Financial income				
Income from temporary cash investments	29,661	68,805	11,420	36,556
Interest on receivables	2,404	8,289	425	8,650
Monetary variation on judicial deposits	3,686	11,242	1,811	11,560
Other	609	5,919	544	4,304
	36,360	**94,255**	**14,200**	**61,070**
Financial expenses				
Loan charges	73,420	209,817	60,383	180,229
Payment of deposited guarantees (STN)	(981)	(2,959)	(974)	10,740
Interest on Aneel concessions	23,342	67,696	18,402	43,079
Interest on actuarial liabilities	6,155	18,467	11,949	35,848
Interest on taxes	84	20,508	372	6,509
Monetary variation on financing and debentures	1,924	26,061	1,634	9,219
Monetary variation on Aneel concessions	13,627	55,212	(2,962)	(10,196)
Other monetary variations	4,908	8,160	669	3,312
Exchange variation on loans	(360)	(9,905)	(21,967)	(70,676)
Other	3,423	10,549	6,296	13,059
	125,542	**403,606**	**73,802**	**221,123**
Financial expenses, net	**89,182**	**309,351**	**59,602**	**160,053**

30 – FINANCIAL INSTRUMENTS

a) Risk management

a.1) Market risk

The Company and its subsidiaries use financial instruments to hedge its assets and liabilities, minimizing exposure to market risks, especially in connection with interest rate, price indices and currency fluctuations. The Company did not enter into any derivative contracts to hedge these risks; however, they are monitored by the Financial Management Committee, which periodically assesses the Company's exposure and proposes operating strategies, control systems, position limits and credit limits with other partners in the market. The Company does not practice speculative investments in derivatives or any other risk assets.

The main market risks to which the Company is exposed are the following:

a.1.1) Risks related to investments

The Company adopts a conservative fund investment policy. Financial investments of the Company and its subsidiaries comply with the allocation of at least 90% in Government Securities (in the final purchase and/or repurchase agreement mode) and at most 10% in Private Securities (CDB acquisitions of eligible banks and yet repurchase agreements with debentures issued by leasing companies controlled by eligible banks), considering the consolidated of amounts invested by each company.

The Company uses the classification of agencies Fitch Ratings (Fitch), Moody's or Standard & Poors (S&P) to identify eligible banks to receive these funds. Such banks meet the two following criteria: Shareholders' Equity of at least R$1 billion and Rating of at least AA- (S&P and Fitch) or Aa3 (Moody's) in a domestic scale.

a.1.2) Exposure to exchange risk

Loan installment related to foreign currency, in the amount of R$231,221 on 09.30.2010, corresponds to 5.4% of the Company's debt, of which 3.1% is denominated in U.S. dollars and 2.3% in Euros. Debt maturities are distributed on a long term basis, focusing on the years of 2015 and 2024. Considering that the effect arising from the debt maturity is minimum on short and medium term basis and, due to the impossibility of making an effective hedge for the balance sheet since there is no forward curve on a long term basis, the Company did not hold on 09.30.2010 any derivative instrument to protect its liabilities. For more details on the breakdown of foreign currency debt, refer to Note 16.

a.1.3) Exposure to the risk of interest rates and fluctuating indices

The Company and its subsidiaries are exposed to interest rates and fluctuating indices related to Libor, Euribor, TJLP, DI rate, IGP-M and IPCA variations. The debt breakdown by interest rates and index, net of deposited guarantees, and percentages related to the total amount of these debts is as follows:

Interest rates and floating indexes	Amount	%
TJLP	2,303,813	56.60
CDI	1,049,641	25.79
IPCA	421,332	10.35
IGP-M	182,472	4.48
Libor Dollar	15,869	0.39
Euribor	97,438	2.39
	4,070,565	**100.00**

a.2) Credit risk

In long-term bilateral agreements entered into with distributors, the Company tries to minimize its credit risk with the use of a collateral mechanism involving receivables from its customers.

In transactions with industrial customers, also known as Free Consumers, in order to minimize the credit risk related to those business partners, the Company, through its credit area, carries out a previous credit analysis and establishes, together with the Credit Committee, the credit limits and collaterals to be required from the other parties.

In financial market transactions, the Company also has credit limits with financial institutions, which are regularly reviewed by its Financial Management Committee, based on an in-house evaluation and ratings disclosed by risk rating agencies.

As mentioned in Note 3, the Company has investments in an Exclusive Investment Fund. The amount of investments in financial institutions is within the limits defined by the Company in its credit policies for financial institutions.

a.3) Hydrological risks

According to the Electric System National Operator (ONS) data, most of the energy supply of SIN (Brazilian National Integrated System) was generated by Hydroelectric Power Plants (HPP). Since SIN operates in optimized dispatch system centralized by the ONS, each HPP, including the Company's HPPs, is subject to variations in the hydrological conditions verified, both in the geographical region in which they operate as in other regions of the country. The hydroelectric generation represented approximately 79% of the total installed capacity of the Company's plants, which is equivalent to 5,124 MW. In the event of the occurrence of unfavorable hydrological conditions at SIN, jointly with the obligation of delivery of assured energy, the Company may be exposed to the short-term energy market, which could affect the its future financial results.

a.4) Environmental risks

The activities in the energy sector may cause negative impacts and damages to the environment. Federal legislation imposes on those who directly or indirectly cause environmental degradation the duty to repair or indemnify the damages caused to the environment and third-parties affected, regardless of guilt. The federal legislation also sets forth the discredit of the polluting company's corporate entity, as well as personal liability of managers, in order to make feasible the refund of losses caused to the quality of the environment. As a consequence, partners and managers of the polluting company may be obliged to pay for environmental remedy costs. The environmental risks are mitigated by the Company by means of its environmental Policy focused on the sustainable development of its business.

b) Market value

In transactions involving financial instruments, only in loans, financing and debentures significant differences between market and book values were found, mainly due to the fact that such financial instruments have quite extended repayment terms and differentiated costs as compared to the rates currently in force for similar agreements. To measure fair values, the Company's Management used discounted future cash flows at rates deemed adequate for similar transactions or international market rates, when available.

	Company			
	09.30.2010		06.30.2010	
	Book value	Market	Book value	Market
Loans and financing in foreign currency	231,221	237,554	229,280	238,909
Loans and financing in local currency	61,912	62,099	74,228	74,487
Debentures	1,669,222	1,585,560	1,624,496	1,541,582
	1,962,355	**1,885,213**	**1,928,004**	**1,854,978**

	Consolidated			
	09.30.2010		06.30.2010	
	Book value	Market	Book value	Market
Loans and financing in foreign currency	231,221	237,554	229,280	238,909
Loans and financing in local currency	2,343,302	2,346,485	1,181,060	1,184,393
Debentures	1,701,255	1,617,593	1,655,167	1,572,253
	4,275,778	**4,201,632**	**3,065,507**	**2,995,555**

The Company has no derivative financial instruments. As a result of the history of the Real volatility against foreign currencies, below is a detailed analysis of the Company's foreign currency debt sensitivity, taking into consideration a basic scenario projected to 12.31.2010 and another two taking into consideration a 25% and 50% Real depreciation in relation to the basis scenario. The projection of the effects resulting from the application of these scenarios to the Company's financial result for 2010 would be as follows:

	Book value	Scenario projected	Scenario I *25% variation*	Scenario II *50% variation*
STN	133,783	1,549	35,381	41,267
BNP Paribas	97,438	(4,968)	18,150	69,215
	231,221	**(3,419)**	**53,531**	**110,482**

31 – RELATED-PARTY TRANSACTIONS

The Company has agreements with its subsidiaries, explained as follows:

Itasa

Electricity purchase and sale agreements of 167 average MW and 61 average MW of energy, effective up to 10.16.2030, restated respectively by the IGP-M (General Market Price Index) and the Dollar variation plus the annual U.S. inflation. The agreements' outstanding balance on 09.30.2010 is R$2,169,321 and R$485,843, respectively.

Service agreement of Itá Hydroelectric Power Plant operation and maintenance executed by the Company, within the scope of Itá Consortium, effective up to 10.16.2030, the amounts of which are annually restated by the IGP-M, and the outstanding balance on 09.30.2010 is R$206,345.

Lages

Electricity purchase and sale agreement of up to 26 monthly average MW of electricity, effective up to 03.31.2017. The outstanding balance on 09.30.2010 is R$39,770.

Operational management services agreement, in view of Lages not having its own staff, effective for an undetermined period. The compensation set forth in the Agreement corresponds to R$190 per year, restated annually by the INPC.

Operation and maintenance agreement, expiring on 03.31.2012. The contractual amount is annually restated based on the variation of compensation defined at the Collective Bargaining Agreement of the Company's employees. The agreements' remaining balance on 09.30.2010 is R$2,617.

TBLC

Management, planning, control and economic, accounting, fiscal, legal and financial administration services agreement, effective for an indeterminate period of time. The annual amount paid by TBLC is R$379, restated annually by the INPC variation.

Energy purchase and sale agreements with the purpose to supply energy for TBLC to comply with its energy sale agreements, with the following characteristics:

a) 150 monthly average MW effective between 03.01.2008 and 03.01.2015, whose outstanding balance on 09.30.2010 is R$406,690.

b) 190 monthly average MW effective between 01.01.2009 and 12.31.2016, whose outstanding balance on 09.30.2010 is R$728,870.

c) 150 monthly average MW effective between 01.01.2010 and 12.31.2010, whose outstanding balance on 09.30.2010 is R$31,460.

Electricity sale agreement executed between TBLC and CESS of average 87 MW, effective until 12.31.2010, including flexibility in the monthly amount of electricity purchased, whose balance on 09.30.2010 was R$18,373.

CESS

Management, planning, control and economic, accounting, fiscal, legal and financial administration services agreement for the subsidiary, effective for an indeterminate period of time. CESS pays annually the amount of R$209, restated annually by the INPC variation.

Operation and maintenance agreement of São Salvador Hydroelectric Power Plant (UHSA), expiring on the financing end-date (10.15.2023). The contractual amount is annually restated by the IGP-M variation and outstanding balance is R$12,736 on 09.30.2010.

Subsidiaries of Tractebel Energias Complementares Participações Ltda. (TBLP) and Energia América do Sul Ltda.

Management, planning, control and economic, accounting, fiscal, legal and financial administration services agreement, effective for an indeterminate period of time, for the indirect subsidiaries Hidrelétrica Areia Branca S.A., Hidropower Energia S.A., Eólica Beberibe S.A., Eólica Pedra do Sal S.A., Tupan Energia Elétrica S.A., Ibitiúva Bioenergética S.A. and Ponte de Pedra S.A. The annual amount of the group of companies is R$908, restated annually by the INPC variation.

GDF SUEZ Energy Latin America Participações Ltda. (GSELA)

The Company has small amounts receivable referring to intercompany services, totaling R$29. Also, as mentioned in Note 13, in January 2010 the Company paid to GSELA the first installment related to the acquisition of SUEZ Energia Renovável S.A. (SER) in the amount of R$304,556, and on 09.30.2010 it had a R$327,710 balance payable for the second installment of the acquisition of SER. Said liability was settled on 10.25.2010.

SUEZ-Tractebel S.A. (Indirect subsidiary)

The Company executed an agreement with SUEZ-Tractebel S.A., its indirect controlling company, headquartered in Brussels, Belgium, the purpose of which is the provision of advisory services in the management, operational, financial, accounting, legal, marketing and development areas of projects, according to the Company's needs. The agreement renewal was approved by unanimous vote of the Company's minority shareholders, at the Extraordinary General Meeting (AGE) held on 04.23.2010, and the controlling shareholder resigned the voting right. The term of the agreement is three years, renewable each year. The fees during the effectiveness of the agreement is limited to the annual non-cumulative amount of €1,500. Services shall be executed and respective fees shall be submitted to the Company's Fiscal Council, which has one member elected by the minority shareholders. The remaining amount was of R$12,204 on 09.30.2010.

Estreito Energia Consortium (Ceste)

In April 2010, the Company executed with Estreito Energia Consortium (Ceste), an agreement for the operation and maintenance of Estreito Hydroelectric Power Plant (HPP Estreito) and transmission line to connect this plant to the Brazilian National Integrated System (SIN), including pre-operational activities, planning, engineering and execution of the operation and maintenance of the power plant facilities, as well as the activities deemed necessary for the full operation of the power plant.

The agreement is effective until May 2025, and is readjusted yearly through a mix of IPCA and INPC indexes. On 09.30.2010, the remaining balance of the agreement was R$198,079.

The amounts recorded in balance sheet and income statement are as follows:

	Assets					Liabilities				
09.30.2010	Accounts receivable	Dividends	Loan	Investment	Total	Suppliers	Related Parties	Dividend and interest on equity [a]	Other	Total
Itasa	2,280	-	-	-	2,280	5,305	-	-	26	5,331
Lages	819	-	-	-	819	-	-	-	-	-
TBLC	106,894	-	-	-	106,894	25,852	-	-	-	25,852
PPESA	583	-	-	-	583	-	-	-	-	-
CESS	29,823	1,628	-	-	31,451	-	-	-	-	-
Ibitiúva	23	-	6,105	-	6,128	-	-	-	-	-
Areia Branca	49	-	-	-	49	-	-	-	-	-
SUEZ Tractebel	-	-	-	-	-	-	-	-	2,997	2,997
Leme Engenharia	-	-	-	-	-	179	-	-	-	179
GSELA	29	-	-	-	29	-	327,710	196,585	-	524,295
CESTE	364	-	-	-	364	-	-	-	-	-
Other	112	-	-	-	112	1	-	-	-	1
TOTAL	140,976	1,628	6,105	-	148,709	31,337	327,710	196,585	3,023	558,655
06.30.2010	104,572	7,418	27,563	304,556	444,109	5,582	-	-	2,226	7,808

[a] *Interest on equity.*

	3Q10								
	Operating revenue				Electricity cost		Expenses		
	Electricity supply	Services Revenue		Total	Electricity purchase	Fuels	General and administrative	Total	Income in earnings of subsidiaries
		Operation and maintenance	Management						
Itasa	-	3,070	-	3,070	31,907	-	-	31,907	5,260
Lages	1,476	436	48	1,960	-	-	-	-	1,777
TBLC	129,977	-	96	130,073	-	4,021	-	4,021	(7,772)
EAS	-	-	-	-	-	-	-	-	1,882
CESS	-	2,556	53	2,609	-	-	-	-	10,451
PPESA	1,990	-	51	2,041	-	-	-	-	-
TBLP	-	-	-	-	-	-	-	-	2,381
SUEZ Tractebel	-	-	-	-	-	-	1,039	1,039	-
Ibitiúva	-	-	64	64	-	-	-	-	-
Ceste	-	1,627	-	1,627	-	-	-	-	-
Other	-	-	114	114	-	-	-	-	-
TOTAL	**133,443**	**7,689**	**426**	**141,558**	**31,907**	**4,021**	**1,039**	**36,967**	**13,979**
3Q09	**150,373**	**3,382**	**497**	**154,252**	**31,964**	**4,582**	**-**	**36,546**	**13,724**

Compensation of Management's key personnel

The compensation, the charges and benefits related to the Management's key personnel are presented as follows. The only long-term benefit is the pension (post-employment).

	Company		Consolidated	
	3Q10	3Q09	3Q10	3Q09
Short-term benefits and fees	1,902	1,473	2,059	1,580
Payroll charges	426	388	458	408
Manager's bonus and charges	1,882	425	1,882	425
Post-employment benefits	163	124	163	125
	4,373	**2,410**	**4,562**	**2,538**

The management's compensation is not based on shares of Tractebel Energia and its subsidiaries.

32 – GUARANTEES TO THIRD PARTIES

The Company is intervening party to the agreements executed between its subsidiaries that have contracted financing from BNDES, the financing agents, BRDE and the Brazilian Federal Savings Bank, linked to the construction of their respective plants, having assigned, as collateral, all the shares or quotas it owns issued by these subsidiaries up to the final settlement of all liabilities undertaken in these agreements.

Regarding the financing agent Hidropower and Banco do Brasil, the swap of the guarantees is under negotiation and after this process is completed, Tractebel Energia will become the intervening party to the financing agreements of these indirect subsidiaries.

Tractebel Energia issued a R$20,338 corporate surety for subsidiary Tractebel Energia Comercializadora Ltda. (TBLC) due on 12.31.2010, to ensure the energy purchase from CPFL Comercialização Brasil Ltda.

The Company is also guarantor of TBLC in the energy purchase operations mentioned below:

Beneficiaries	Maturity	Amount
Compass Comercializadora de Energia Elétrica Ltda.	12.22.2010	1,027
Tradener Ltda.	12.31.2010	8,811
Companhia Siderurgica de Tubarão (CST)	01.31.2011	12,662
ECOM Energia Ltda.	02.28.2011	2,633
Companhia Estadual de Geração e Transmissão de Energia Elétrica (CEEE-GT)	12.22.2010	885

33 – INSURANCE

The Company has a comprehensive operating risk insurance policy with a declared amount for property damages of US$4,867,212 (R$8,242,137) on 09.30.2010, and with a declared amount for loss of profits of US$378,352 (R$640,701) on 09.30.2010. The maximum combined property damage and loss of profits claim limit is US$250,000, equivalent to R$423,350 on 09.30.2010, per event.

Insurances contracted related to their subsidiaries on 09.30.2010, have the following main characteristics and coverage amounts:

	Operating risks		Loss of profits	
	US$	R$	US$	R$
Lages	40,032	67,790	8,027	13,593
CESS	231,575	392,149	19,605	33,199
Ponte de Pedra	196,600	332,922	11,278	19,098
Tupan	24,074	40,767	3,410	5,774
Hidropower	24,074	40,767	3,628	6,144
Pedra do Sal	24,882	42,135	10,766	18,231
Beberibe	49,565	83,933	14,194	24,036
Ibitiúva	52,052	88,145	18,856	31,931

In addition to this coverage, the Company has civil liability insurance policies with coverage of R$87,215. Such policies include Itá Hydroelectric Power Plant and Machadinho Hydroelectric Power Plant, under consortium, Lages Co-generation Unit, Ponte de Pedra and São Salvador Hydroelectric Power Plants, Rondonópolis (Tupan), Engenheiro José Gelazio da Rocha (Hidropower), Areia Branca Small Hydroelectric Power Plants and Ibitiúva Thermoelectric Power Plant and Pedra do Sal and Beberibe wind farms.

From 2009/2010 cycle, the Company decided to take out the insurance policy called *Property Damage and Business Interruption* – PDBI, which is coordinated by the Controlling Group, since it understands that business and coverage conditions show to be more favorable than those available on the domestic market and likely to be contracted by the Company. On 05.31.2010, this insurance policy was renewed for the 2010/2011 cycle with a reduction of the insurance rate of approximately 9% compared to the previous cycle. Due to favorable conditions provided by this global insurance policy, the Estreito Consortium and having as consortium members SUEZ Energia Renovável S.A. (40.07%), Vale (30%), Alcoa (25.49%) and Camargo Corrêa Geração de Energia (4.44%), requested the inclusion of Estreito hydroelectric power plant in said insurance policy, which will effectively occur as from Estreito HPP's start-up.

Estreito consortium currently has an engineering risk insurance for material damage of R$2,404,630 and expected loss of profit of R$612,233.

The Company also has insurance to cover domestic and international transportation risks, civil liability of board members, officers and management, extended to its subsidiaries, as well as group life insurance for its officers and employees.

34 – LONG-TERM AGREEMENTS

The Company has long-term commitments, the main of which are as follows:

a) Connection agreement

The Company entered into a connection agreement with Eletrosul and Furnas Centrais Elétricas S.A. (Furnas), effective until the termination date of the Company's generation units concession or the liquidation of the transmission company, whichever comes first.

Regarding the subsidiaries, the connection usage agreements are the following:

- Eólica Beberibe S.A.: Companhia Energética do Ceará (Coelce).

- Eólica Pedra do Sal S.A.: Companhia Energética do Piauí (Cepisa).

- Hidrelétrica Areia Branca S.A.: Cemig Distribuição S.A. (Cemig).

On 09.30.2010 the connection agreements' remaining balance amounts to R$233,374.

b) Transmission and Distribution Network Usage Agreement (Cust and Cusd)

In order to use the transmission system and basic network, the Company and its subsidiaries Ponte de Pedra Energética S.A. and Companhia Energética São Salvador have agreements with the ONS. For plants that are not directly connected to the basic network, Distribution Usage Agreements are maintained, as follows:

- UTE Willian Arjona: Empresa Energética do Mato Grosso do Sul S.A. (Enersul).
- UTE Alegrete: AES Sul Distribuidora Gaúcha de Energia S.A. (AES Sul).
- UTE Jorge Lacerda A: Centrais Elétricas de Santa Catarina S.A. (Celesc).
- Tupan e Hidropower: Centrais Elétricas Matogrossenses S.A. (Cemat).
- Beberibe: Companhia Energética do Ceará (Coelce).
- Pedra do Sal: Companhia Energética do Piauí (Cepisa).
- Hidrelétrica Areia Branca S.A.: Cemig Distribuição S.A. (Cemig).
- UTE Ibitiúva Bioenergética: Companhia Paulista de Força e Luz (CPFL Paulista).

Most agreements are effective up to the termination date of the concessions or authorizations of the Company's generation units, or the liquidation of transmission and distribution companies, whichever occurs first. On 09.30.2010 the agreements' remaining balance amounts to R$6,213,390.

c) Electricity purchase and sale bilateral agreements

According to data related to assured energy and sale agreements in force, the Company's energy balance sheet shows that current capacity has the following contracting levels:

	Average MW[14]				
Year	Own resources	Purchase for resale	Total availability	Contracted availability	% Contracted
2010	3,365	649	4,014	3,930	97.91%
2011	3,504	308	3,812	3,778	99.11%
2012	3,617	306	3,923	3,867	98.57%
2013	3,617	278	3,895	3,779	97.02%
2014	3,617	253	3,870	3,475	89.79%
2015	3,617	200	3,817	3,182	83.36%

d) Purchase of electricity from Argentina

In May 1998, Tractebel Energia and Cien entered into an agreement, through which Cien undertook to supply Tractebel Energia with 300 MW of firm power with associated energy, for a 20-year term as of the startup of the transmission system between Brazil and Argentina, on 06.21.2000.

In 2006, it was verified that Cien was not capable of supplying the amount of energy provided for in the agreement, which made Aneel issue a Normative Resolution to reduce the amounts of physical power guarantee to "zero" to comply with the agreement with Tractebel Energia. The reduction to "zero" would be valid until Cien could prove the availability exists, which did not occur.

Due to the need to solve such quarrel, which has been going on for a long time, without any perspective of solution, Tractebel Energia, in view of the total default of Cien, filed a lawsuit, mainly requiring the agreement termination, with the payment of due fine, and reimbursement of losses caused for not receiving the contracted electricity. At this moment, it is not possible to estimate any amount involved in said lawsuit. By now, all necessary measures to carry out Tractebel's commercial operations, as well as to recover its portfolio balance, were already taken previously in the past years.

The lawsuit is in its preliminary phase and Tractebel Energia answered Cien's reply in rebuttal filed on 05.26. 2010.

e) Purchase of natural gas

The Company entered into a gas purchase agreement with Companhia de Gás do Mato Grosso do Sul (MSGÁS), effective for five years, starting 2001, the startup of William Arjona Thermoelectric Power Plant (UTWA), renewable for an additional five years.

[14] *Information on average MW is not revised by the independent auditors.*

With the expiration of the contract period, on 05.22.2006, the Company showed its interest to renew the agreement, however, MSGÁS announced that the renewal would depend on the adjustment of the product price, as determined by Petróleo Brasileiro S.A. (Petrobras), the gas seller to MSGÁS and the consenting party in the contract.

Petrobras filed a special appeal with the Superior Court of Justice (STJ), where in a Writ of Prevention, was granted the supersedeas, authorizing it, as of November 2007, to suspend the supply. As a result, the Company had been buying power in the CCEE to supply UTWA energy-backed sales. When convenient and necessary, the power plant has been operating with diesel oil as fuel, since the power plant has this flexibility.

As a result of the filing of the Preparatory Writ of Prevention, the Company filed a lawsuit which was granted relief determining that sale agreements of natural gas entered into between the Company and MSGÁS, and between MSGÁS and Petrobras and respective addenda can be renewed for a 5-year term, beginning on 05.23.2006. The period in which the gas supply was interrupted as a result of this litigation shall be added to the expiration of the agreement, and its expiration shall be proportionally extended. Gas price and quantity shall be those contracted and restated as per Thermoelectric Power Plant Priority Program (PPT).

The Superior Court of Justice has recently dismissed the Writ of Prevention and Petrobras' Special Appeal due to lack of grounds. As a consequence, the Preparatory Writ of Prevention included an order for MSGÁS and Petrobras maintaining the gas supply to Arjona as of 11.26.2009.

Petrobras lodged an appeal in view of the decision rendered in the records of the lawsuit, which did not affect the gas supply. Currently, the appeal is pending judgment at the Appeals Court of Mato Grosso do Sul.

f) Leasing agreements

The leasing agreements listed below have been classified as "operating", because the ownership of the asset cannot be transferred to the lessee by the end of the agreement's duration, and because there is no option to purchase the asset.

Eólica Beberibe has four land lease agreements used for the installation and construction of towers of wind turbines, substation and transmission stations associated. These agreements mature between May 2027 and September 2032 and amounts comprise fixed and variable amounts, corresponding to a percentage of gross revenue of the subsidiary. Fixed amounts are restated by IGPM, by the U.S. dollar variation and the inflation rate in the United States of America (USA), depending on each agreement.

Eólica Pedra do Sal has one lease agreement of the land where its generation complex is located, maturing in 2029. The monthly paid amount contracted corresponds to a percentage of gross operating revenue.

In the third quarter of 2010 the total lease expense was R$408.

The total minimum future payments are:

2010	193
2011 to 2015	5,334
2016 onwards	13,735
	19,262

Wind energy generation projects acquired in 2009: the companies acquired by subsidiary TBLP have eight lease agreements for land used in the installation and construction of the wind generator towers, a substation and associated transmission facilities. The agreements mature from 2032 to 2042, and the payments are composed of fixed and variable amounts. The latter will be due as of the startup of each project. In the third quarter of 2010, total expenses were R$84.

The total estimated minimum future payments are as follows:

2010	111
2011 to 2015	2,228
2016 onwards	7,977
	10,316

g) Construction agreements in progress

g.1) Ibitiúva Bioenergética Thermoelectric Power Plant

Indirect subsidiary Ibitiúva executed an agreement with Areva Koblitz to provide engineering services, acquisition of equipment and construction of Ibitiúva Bioenergética Thermoelectric Power Plant, whose remaining amount on 09.30.2010 was R$4,651. The agreement is effective up to 12.31.2011.

g.2) São Salvador Hydroelectric Power Plant

Subsidiary CESS has an agreement with Consórcio São Salvador to provide engineering services, acquisition of equipment and construction of São Salvador Hydroelectric Power Plant. The amount to be realized on 09.30.2010 was R$10,581.

g.3) Estreito Hydroelectric Power Plant

Subsidiary SER is part of Estreito consortium, which has agreements pegged to the implementation of Estreito Hydroelectric Power Plant, and the outstanding amount of R$738,857 on 09.30.2010 (own and third party capital), out of which R$296,060 correspond to the interest in SER.

35 – ADDITIONAL INFORMATION TO THE CASH FLOW

As an addition to the cash flow presented as part of the Financial Statements, the transactions that do not involve the cash and payments made in the year are the following:

	Company			
	2010		2009	
	3rd Quarter	Accumulated	3rd Quarter	Accumulated
Payment in the year				
Interest from loans, financing and debentures	1,781	105,632	3,175	124,338
Income and social contribution taxes	49,700	430,162	32,655	391,239
Non-cash operations				
Amount payable related to the acquisition of SER	327,710	327,710	-	-

	Consolidated			
	2010		2009	
	3rd Quarter	Accumulated	3rd Quarter	Accumulated
Payment in the year				
Interest from loans, financing and debentures	24.553	178.208	20.147	177.802
Income and social contribution taxes	54.314	446.532	45.223	421.674
Non-cash operations				
Income and social contribution taxes	6.017	6.425	344	299
Concessions payable	41.799	41.799	16.830	352.097
Amount payable related to the acquisition of SER	327.710	327.710	-	-

36 – SUBSEQUENT EVENTS

Credit of interest on equity

At a meeting held on 11.05.2010, the Company's Board of Directors approved the credit of interest on equity for the period from January 1 to December 31, 2010, in the gross amount of R$220,000, corresponding to R$0.3370396501 per share.

Credit of interest on equity will be booked in the Company's records on 12.31.2010 based on the ownership structure of 11.17.2010, and the Company's shares will be traded ex-interest on equity as of 11.18.2010.

Interest, net of withholding income tax, will be imputed to mandatory dividends in accordance with Article 202 of Law 6,404/76, and shall be paid based on the data registered at Itaú Unibanco Banco Holding S.A., on a date to be defined by the Board of Executive Officers and announced through a Notice to Shareholders.

37 – RECONCILIATION TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

a) Introduction

The Company prepared its financial statements according to the standards issued by the Brazilian Securities and Exchange Commission (CVM) including CVM Resolution number 565/08. The reconciliation note comparing net income and shareholder's equity under CVM standards with IFRS, as required by the São Paulo Stock Exchange (BOVESPA), does not constitute a complete presentation of the financial statements comprising, comparatively, the Balance Sheet, the Income Statements, the Statements of Changes in Shareholders' Equity and Cash Flows, and the explanatory notes as required by the International Financial Reporting Standards (IFRS).

The Company adopted IFRS 1 - "First Time Adoption of International Financial Reporting Standards" in order to determine the adjustments to the opening balances; the basis and options applied may change when the Company prepares its complete financial statements according to IFRS.

b) Reconciliation Procedures

December 31, 2007 was the first financial year end for which the IFRS reconciliation and accompanying notes was presented.

As required by IFRS 1, the opening balance reflects all of the pronouncements and interpretations of IFRS effective on December 31, 2007, except for the exemptions and exceptions allowed in the application of IFRS 1 for determining the measurement of the impacts on the opening balance.

The reconciliation of the differences between the shareholders' equity and the net income determined in accordance with the accounting practices adopted in Brazil and those determined by IFRS were drawn up based on the financial statements of the Company, prepared in accordance with accounting practices adopted in Brazil, as described in Note 2. The reconciliation of the shareholders' equity and the net income, as required by the São Paulo Stock Exchange (BOVESPA) in order to meet the Novo Mercado (New Market) listing requirements, does not represent a complete set of financial statements comprising a balance sheet, income statement, statement of changes in shareholders' equity and cash flow statement, presented on a comparative basis and with the respective explanatory notes, as required by IFRS.

	Shareholders' equity		Net income 2010		Net income 2009	
	09.30.2010	06.30.2010	3rd quarter	9 months	3rd quarter	9 months
Brazilian accounting practices	4,239,413	4,201,450	324,063	844,246	285,731	782,882
Monetary adjustment	170,304	174,877	(4,573)	(13,795)	(4,701)	(14,259)
Post-employment benefits	68,435	68,343	92	280	3,193	7,956
Foreign exchange variation and interest income	(61,882)	(62,378)	496	1,489	488	1,481
Capitalized financial charges	80,244	77,408	2,836	1,637	2,278	25,886
Borrowing costs	(11,849)	(11,932)	83	250	82	249
Capitalization on investment acquisition	16,527	16,163	364	1,095	366	1,095
Deferred income and social contribution taxes	(82,877)	(82,192)	(685)	473	(1,506)	(10,394)
	4,418,315	**4,381,739**	**322,676**	**835,675**	**285,931**	**794,896**

Monetary adjustment

In accordance with the standards issued by CVM, the Company did not recognize the Brazilian inflationary effects subsequent to December 31, 1995. On January 1, 1996, the net amount accounted for in respect of all non-monetary assets and liabilities became their historic cost. In accordance with IFRS (IAS 29 - Financial Reporting in Hyperinflationary Economies), Brazil was considered as being a hyperinflationary economy until 1997, and accordingly, for IFRS purposes, the Company continued to recognize inflation effects based on the IGPM index (general market price index).

The adjustment presented in the line item "Monetary adjustment" represents the inflationary effects on property, plant and equipment recognized in 1996 and 1997 for IFRS purposes, net of the effect of depreciation and write-offs on such monetary adjustment.

Post-employment benefits

As disclosed in Note 24, the Company accounts for post-employment benefits in accordance with CVM Resolution No. 371/2001, since December 31, 2001. Specifically, for the actuarial liability related to the defined benefit plan, the Company opted for the corridor methodology to recognize actuarial gains and losses.

For IFRS purposes, the Company adopted the exemption prescribed by IFRS 1 (First Time Adoption of International Financial Reporting Standards), under which all actuarial gains and losses related to the defined benefit plan, sponsored by the Company, were recognized on the IFRS transition date.

As permitted by IAS 19, the Company adopted a policy of recognizing actuarial gains and losses in the year in which they occurred in the shareholders' equity as other comprehensive income.

Consequently, the shareholders' equity adjustment shown in the line item "Post-employment benefits" represents the actuarial gain not recognized for CVM standards purposes, and recognized for IFRS purposes.

Foreign exchange variation and interest income

Based on the Local GAAP, the foreign exchange differences arising from foreign currency-denominated loans and financing and interest income from marketable securities resulted from third party fund were fully capitalized in the cost of property, plant and equipment under construction. For IFRS purposes, these exchange differences and interest income were capitalized up to the amount equivalent to the cost of a loan, if raised in Brazil (as required by IAS 23 – Borrowing costs).

Capitalized financial charges

According to IFRS, the Company's own capital used to finance subsidiaries' construction in progress was capitalized in subsidiaries' property, plant and equipment; such capitalization is based on the interest rates of the loans and financing obtained.

Borrowing costs

Under CVM standards, the borrowing costs of certain financing assumed for the construction of a hydroelectric project were capitalized in the underlying asset.

Under IFRS, these costs are considered financing costs and are amortized over the period of the financing.

Capitalization on investment acquisition

The amount of deferred charges (goodwill) accounted for in respect of the acquisition of Itá Energética S.A. in 2001 was, as of January 1, 2008, reclassified to intangibles and was maintained under this caption for CVM standards. Under IFRS, the Company performed a purchase price valuation at the date of acquisition and included the amount in property, plant and equipment; the deferred charges' (up to December 31, 2007) and intangibles' amortization rates are higher than that of the depreciation rate of property, plant and equipment.

Deferred income and social contribution taxes

Represented by the effect of income and social contribution taxes on the accounting adjustments required to reconcile net income and shareholders' equity according to the standards issued by CVM to the IFRS. This amount includes the recognition of deferred tax credits for IFRS purposes on temporary differences in permanent assets which are realizable over a period in excess of 10 years and which were not recognized according to CVM standards purposes. The amounts of each adjustment are shown in the chart below:

	Shareholders' equity		Net income 2010		Net income 2009	
	09.30.2010	06.30.2010	3rd quarter	9 months	3rd quarter	9 months
Deferred taxes from reconciliation adjustments	(88,421)	(88,652)	231	3,049	(590)	(7,646)
Deferred taxes from temporary differences in permanent assets	5,544	6,460	(916)	(2,576)	(916)	(2,748)
	(82,877)	**(82,192)**	**(685)**	**473**	**(1,506)**	**(10,394)**

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Jan Franciscus María Flachet
Vice-Chairman

Manoel Arlindo Zaroni Torres
Board Member

Victor-Frank de Paula Rosa Paranhos
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Alain François Marie Louise Janssens
Board Member

Luiz Antônio Barbosa
Board Member

José Pais Rangel
Board Member

Antonio Alberto Gouvêa Vieira
Board Member

EXECUTIVE OFFICERS

The Company's executive officers hereby declare they have examined, discussed and revised all information provided in the Company's Financial Statements (company and consolidated), and that they agree with the opinion of the Company's independent auditors (Deloitte Touche Tohmatsu) mentioned in the Independent Auditor's Special Review Report.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

José Luiz Jansson Laydner
Energy Commercialization Officer

Miroel Makiolke Wolowski
Project Development and Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antonio Amaral Sureck
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

Marcelo Cardoso Malta
Manager of the Accounting Department
Accountant - CRC RJ 072259/O-5 T-SC

07.01 – COMMENTS ON THE PERFORMANCE IN THE QUARTER

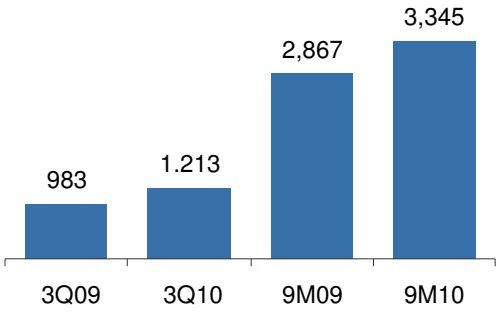
See 12.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Gross Operating Revenue

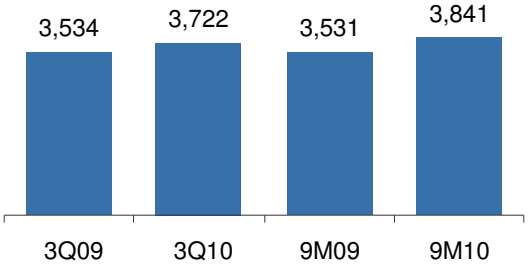
The Company reported gross operating revenue in 3Q10 of R$ 1,212.9 million, 23.4% higher than the same period in 2009 when this item totaled R$ 983.0 million. This variation is essentially a combination of the following I ncreases: (i) R$ 42.0 million as a result of the startup in commercial operations of new plants, responsible for sales of 373 GWh (169 average MW); (ii) R$ 79.9 million due to the increase of 9.9% in the average price of energy sold; (iii) R$ 12.5 million as a result of the higher sales volume of energy bought for resale; (iv) R$ 84.1 million in transactions conducted through the Energy Trading Board (CCEE) as described under a specific heading; and (v) R$ 8.9 million in electric energy exports to Argentina and Uruguay.

Sales volume in 3Q10 was 8,218 GWh (3,722 average MW), 5.3% greater than the 7,804 GWh (3,534 average MW) sold in the same quarter 2009.

Gross Operating Revenue - R$ million



Sales Volume - avg MW



Principal Components of Gross Operating Revenue

Wholesale market for electric energy

Revenue from the wholesale market, namely sales to entities other than free consumers, reported R$ 813.5 million in 3Q10, 13.7% higher than recorded in 3Q09 when the Company posted a total of R$ 715.6 million. This growth represented the combination of the following key factors: (i) an increase of R$ 66.4 million following an average price hike for energy sold of 11.4%, in particular for sales to trading companies, whose prices were impacted by significant increase in the spot market prices (PLD); (ii) a growth of R$ 52.1 million (equivalent to 378 GWh – 171 average MW) in sales to distributors; and (iii) a decline of R$ 21.2 million (corresponding to 194 GWh – 88 average MW) in sales to the trading companies.

Retail market for electric energy

Retail market sales revenue (sales to free consumers), reported an improvement of 17.0% from R$ 225.0 million in 3Q09 to R$ 263.2 million in 3Q10, a reflection of the following: (i) growth of R$ 14.8 million due to the rise in the average price of energy sold of 6.3%; and (ii) an increase of R$ 23.4 million (equivalent to 200 GWh – 91 average MW) principally due to higher sales volume on the back of a recovery in industrial demand.

Transactions channeled through the Energy Trading Board (CCEE)

In 3Q10, revenues under this item were R$ 108.4 million as against R$ 24.3 million in the same quarter of 2009. Further explanations on these operations and changes can be found below under “Details of CCEE operations”.

Exports of electric energy

In 3Q10, the Company reported export revenues on energy sales to Argentina and Uruguay of R$ 22.7 million, compared with the same period in 2009 of R$ 13.8 million.

Deductions from Operating Revenue

Deductions from operating revenue reported a year-on-year increase of 34.7% from R$ 96.3 million to R$ 129.8 million. These deductions represented 9.9% and 10.9% of gross operating revenue (net of exports which are exempt from these deductions) in the third quarter for 2010 and 2009, respectively.

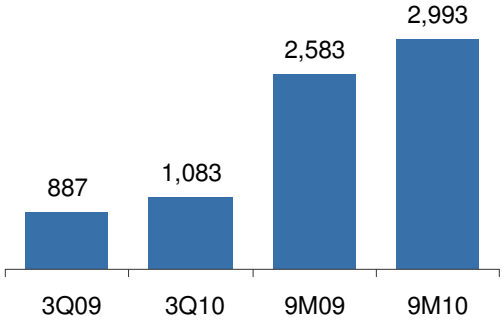
This increase reflects a combination of the following factors: (i) an increase of R$ 21.4 million in PIS and Cofins charges, in large part due to higher gross operating revenue and the change introduced for levying these charges from a cumulative method (rate of 3.65%) to a non-cumulative method (rate of 9.25%, but with the right to a tax credit on certain acquisitions) on those contracts with pre-fixed prices set during and after 3Q09; and (ii) a rise of R$ 10.3 million in ICMS sales tax payments over the same period in 2009 and reflecting the expansion in billing in states where ICMS rates are higher.

Net Operating Revenue

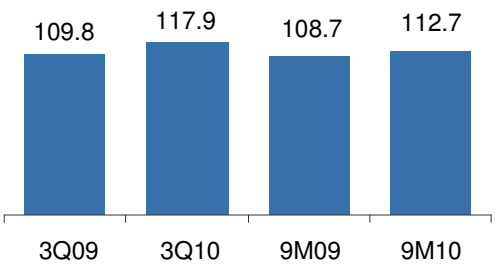
In 3Q10, net operating revenue registered growth of 22.1% when compared with the same quarter in 2009, rising from R$ 886.7 million to R$ 1,083.0 million. The increase reported is directly related to the evolution in gross operating revenue and the deductions therefrom as indicated above.

The average price of electric energy sales, net of exports and deductions from operating revenue, reached R$ 117.90/MWh in 3Q10, 7.4% higher than the 3Q09 price which was R$ 109.75/MWh. This increase is the result of price readjustments to existing contracts and the higher prices practiced for new contracts, principally with the trading companies, which registered an average price rise of 27.5%, due to the increase in the spot market prices (PLD), as mentioned on the item "Wholesale market for electric energy".

Net Operating Revenue - R$ million



Average Net Sales Price - R$/MWh



Costs of Electric Energy and Services

12.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

The Company's costs were R$ 449.8 million in 3Q10, 26.3% up on the R$ 356.1 million in the same quarter in 2009. This variation is fundamentally due to the trend in the principal cost components as follows:

- **Electric power purchased for resale:** an increase of R$ 57.8 million in 3Q10 due basically to the increase of 481 GWh (218 average GW) of purchased energy, allowing the Company to sell a 30-year product in the so-called "botox" energy auction at attractive prices, deliveries to begin in 2010, and to meet energy sales commitments. A large number of these purchase contracts was signed some years ago – and therefore bear no relation to spot market prices (PLD).
- **Transactions channeled through the Energy Trading Board (CCEE):** an increase of R$ 0.9 million in relation to the same period for the preceding year as described below under a specific item.
- **Fuel Expenses:** a rise of R$ 15.2 million in 3Q10 due to: (i) an increase of R$ 11.7 million in natural gas requirements from the William Arjona TPP, dispatch from which was to satisfy demand; and (ii) an increase of R$ 3.3 million in coal consumption for electricity generation for export.
- **Charges for the use of and connection to the electricity grid:** reduction of R$ 1.6 million compared with the same quarter 2009, reflecting the startup of commercial operations of new plants together with the reduction in Tariffs for Use of the Transmission System (TUSTs) introduced in July 2010 on conclusion of the transmission companies' tariff revision.
- **Financial compensation for the use of water resources:** an increase of R$ 3.2 million, reflecting the annual tariff readjustment and the increase in dispatch from hydro plants in 3Q10 when compared with the same quarter in 2009.
- **Personnel:** an increase of R$ 4.1 million in 3Q10 due to the increase in headcount and the annual salary readjustment for employees.
- **Third party services:** an increase of R$ 6.8 million in 3Q10 as a function of substantially stronger demand for maintenance and conservation services at the Company's generating units and the engagement of complementary services at the São Salvador and Areia Branca plants which began commercial operations during and after 3Q09.
- **Depreciation and amortization:** R$ 4.8 million higher in 3Q10 year-on-year principally due to the initial depreciation of the assets at the Areia Branca and Ibitiúva Bioenergética plants.

Energy Trading Board – Details of CCEE Operations

The various monthly credit or debit entries to the account of a member of the CCEE are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expenses account. In this context it is worth pointing out that due to adaptations to commercialization strategy, there have been changes in billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing over the two-year period – the reason for including the present topic. In this way, we are able to analyze the oscillations in the principal elements in spite of their allocation either to income or expenses according to the credit or debit nature of the billing to which they relate.

Generically speaking, these elements are income or expense items arising for example from: (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the so-called "sub-market risk"; (iii) dispatch triggered by the Risk Aversion Curve (CAR); (iv) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (v), naturally, exposure (a short or long position in the monthly accounts) which will be settled at the spot price.

In 3Q10, the Company reported a net revenue of R$ 107.5 million against R$ 24.3 million in the same period for 2009, for transactions conducted through the CCEE and producing additional revenue of R$ 83.2 million to the result between the comparable periods. This improved result principally reflects the following factors:

I. an increase of R$ 6.7 million in the MRE result from R$ 11.1 million in 3Q09 to R$ 17.8 million in the quarter under review following greater dispatch from the Company's hydro plants in 3Q10. This improvement in revenue was partially offset by higher royalties as described under item "Financial compensation for use of water resources"; and

II. other transactions executed through the CCEE recorded an improvement of R$ 76.5 million due to (i) the success of the strategy in optimizing the allocation of generation resources implemented by the Company, combined with the significant hike in spot (PLD) prices which in 3Q10 reached an average of R$ 113.32/MWh against R$ 21.02/MWh in 3Q09; and (ii) the reduction in thermoelectric exposure following guidance issued under an ordinance from the National Electrical Systems Operator (ONS) in the context of overall energy needs.

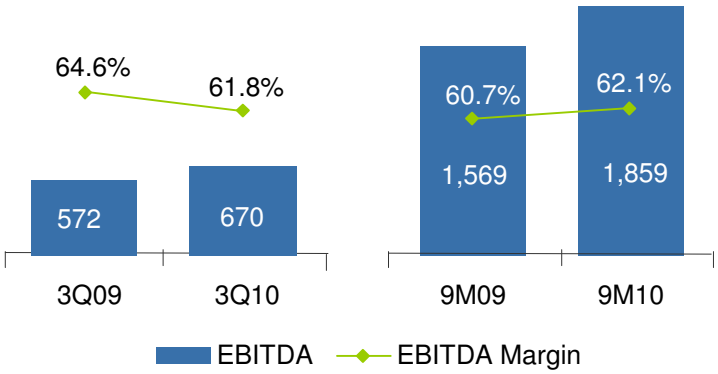
General and Administrative Expenses

General and administrative expenses grew R$ 6.3 million or 15.0% from R$ 42.2 million in 3Q09 to R$ 48.5 million in 3Q10 essentially due to the increase (i) in personnel and management overheads following the annual readjustment in salaries and benefits and an increase in overall headcount; and (ii) in third party services due to the greater volume of work contracted from consultancies.

EBITDA and EBITDA Margin

Given the impact of the factors already discussed above, 3Q10 EBITDA reached R$ 669.7 million, 17.0% higher than the R$ 572.5 million in 3Q09. EBITDA margin in 3Q10 was 61.8% against 64.6% in 3Q09. However, it should be pointed out that the principal reason for the reduction in EBITDA margin was the higher transaction volume of energy purchased for resale.

EBITDA (1) (R$ million) and EBITDA Margin (%)



(1) EBITDA represents: operating profits + financial result + depreciation and amortization
In order to allow the reconciliation of the operating income with the EBITDA, we present the table below:

EBITDA (in thousands of R$)	3Q10	3Q09	Chg. %	9M10	9M09	Chg. %
Operating income	490,644	428,383	14.5	1,276,654	1,169,174	9.2
(+/-) Financial Expenses	89,182	59,602	49.6	309,351	160,053	93.3
(+) Depreciation and Amortization	89,874	84,488	6.4	272,807	239,393	14.0
Total	**669,700**	**572,473**	**17.0**	**1,858,812**	**1,568,620**	**18.5**

Financial Result

Financial income: amounted to R$ 36.4 million in 3Q10, an increase of R$ 22.2 million compared to the R$ 14.2 million reported in 3Q09, principally due to higher income from financial investments in the quarter.

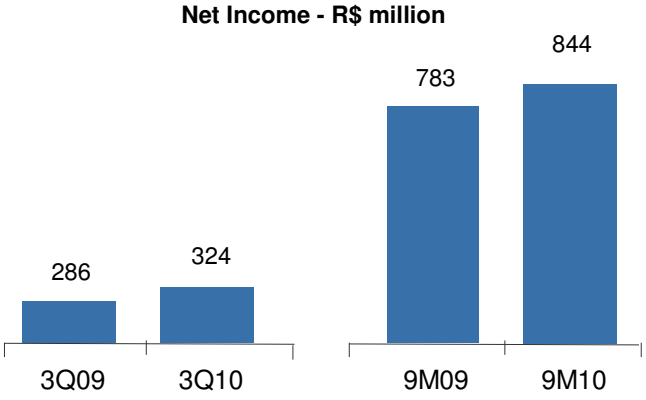
Financial expenses: a rise of R$ 51.7 million from R$ 73.8 million in 3Q09 to R$ 125.5 million in 3Q10 and the result of a combination of the following factors: (i) increase of R$ 18.0 million of interest on debt principally due to the increase of interest on loans and financing; (ii) growth of R$ 16.9 million in monetary restatement of debt and financing due largely to variation in the IGP-M inflation index applicable to concession charges payable; (iii) reduction of R$ 21.6 million in the gain from the foreign exchange translation effect on currency denominated loans, due to the variation in the exchange rates of a basket of currencies comprising the Company's debt in relation to the Real; and (iv) reduction of R$ 5.8 million in charges on the Company's actuarial liabilities.

Income Tax and Social Contribution

Income tax and social contribution expenses in 3Q10 were R$ 166.6 million, R$ 24.0 million higher than the R$ 142.6 million for the same period in 2009. The variation is largely due to the increase in the pre-tax/social contribution earnings.

Net Income

Again reflecting comments made during the course of this release, 3Q10 net earnings were R$ 324.1 million, a 13.4% improvement on the same quarter in 2009 when this item recorded R$ 285.7 million. For the accumulated nine-month period the Company reported a net income of R$ 844.2 million, 7.8% more than the R$ 782.9 million reported for the first nine months of 2009.



01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
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13.01 - INTEREST IN SUBSIDIARY AND/OR ASSOCIATED COMPANIES

1 - ITEM	2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY	3 - CNPJ (Corporate Taxpayer's ID)	4 - CLASSIFICATION	5 - PARTICIPATION IN CAPITAL OF INVESTEE - %	6 - INVESTOR'S SHAREHOLDERS' EQUITY - %
7 - TYPE OF COMPANY		8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (Units)		9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (Units)	
01	ITÁ ENERGÉTICA S.A. - ITASA	01.355.994/0001-21	PUBLICLY-HELD SUBSIDIARY	48.75	7.68
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		253,606,840		253,606,840	
02	COMPANHIA ENERGÉTICA SÃO SALVADOR - CESS	04.848.623/0001-70	PRIVATE SUBSIDIARY	99.99	8.32
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		341,488,723		341,488,723	
03	TRACTEBEL ENERGIAS COMPLEM. PARTIC. LTDA	09.212.990/0001-04	PRIVATE SUBSIDIARY	99.99	12.32
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		509,009,727		509,009,727	
04	ENERGIA AMÉRICA DO SUL LTDA	02.695.010/0001-14	PRIVATE SUBSIDIARY	99.99	19.23
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		797,469,876		797,469,876	
05	SUEZ ENERGIA RENIVÁVEL S.A.	08.976.022/0001-01	PRIVATE SUBSIDIARY	99.99	20.55
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		714,442,076		0	

01.01 - IDENTIFICATION

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14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	01
2- ORDER No.	1
3 - REGISTRY No. AT CVM	CVM/SRE/DEB/2005/024
4 - REGISTRY DATE AT CVM	05/11/2005
5 - ISSUED TRANCHE	1st
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	05/02/2005
9 - MATURITY DATE	05/02/2011
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	IGP-M + 9.29% p.a.
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	10,346.55
14 - AMOUNT ISSUED (Thousands of Reais)	144,852
15 - NUMBER OF SECURITIES ISSUED (UNIT)	14,000
16 – OUTSTANDING SECURITIES (UNIT)	14,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	02
2- ORDER No.	2
3 - REGISTRY No. AT CVM	CVM/SRE/DEB/2007/013
4 - REGISTRY DATE AT CVM	06/19/2007
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	05/15/2007
9 - MATURITY DATE	05/15/2014
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	IPCA + 7% p.a.
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	11,751.97
14 - AMOUNT ISSUED (Thousands of Reais)	411,319
15 - NUMBER OF SECURITIES ISSUED (UNIT)	35,000
16 – OUTSTANDING SECURITIES (UNIT)	35,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	03
2- ORDER No.	3
3 - REGISTRY No. AT CVM	CVM/SRE/DEB-99/029
4 - REGISTRY DATE AT CVM	03/04/1999
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	04/01/1998
9 - MATURITY DATE	04/01/2013
10 - TYPE OF DEBENTURE	SUBORDINATED
11 - CONDITION OF CURRENT REMUNERATION	TJLP + 4% p.a.
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	5,861.42
14 - AMOUNT ISSUED (Thousands of Reais)	45,561
15 - NUMBER OF SECURITIES ISSUED (UNIT)	7,773
16 – OUTSTANDING SECURITIES (UNIT)	7,773
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
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14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	04
2- ORDER No.	4
3 - REGISTRY No. AT CVM	CVM/SRE/DEB/2009/002
4 - REGISTRY DATE AT CVM	04/22/2009
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	04/01/2009
9 - MATURITY DATE	04/01/2011
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	117% of CDI
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	10,083.49
14 - AMOUNT ISSUED (Thousands of Reais)	605,009
15 - NUMBER OF SECURITIES ISSUED (UNIT)	60,000
16 – OUTSTANDING SECURITIES (UNIT)	60,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	05
2- ORDER No.	5
3 - REGISTRY No. AT CVM	Exempted pursuant to CVM Rule 476
4 - REGISTRY DATE AT CVM	11/05/2009
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	11/05/2009
9 - MATURITY DATE	11/05/2015
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	110% of CDI
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	1,007,978.02
14 - AMOUNT ISSUED (Thousands of Reais)	403,191
15 - NUMBER OF SECURITIES ISSUED (UNIT)	400
16 – OUTSTANDING SECURITIES (UNIT)	400
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

New Projects

The Company regularly evaluates opportunities, implements and runs projects related to HPPs, TPPs and co-generation units, having proved its competence in the implementation and operation of projects using various sources of energy (water, coal, natural gas, oil, biomass and wind).

The Company and the Controlling Shareholder adopt a strategy for large-scale hydroelectric projects, based on the segregation between project development and its effective implementation and operation. During the bidding, concession acquisition, regulatory authorizations and negotiation of agreements (including energy sale, construction and financing agreements) up to the beginning of the execution, the project is held and controlled by the Controlling Shareholder. After this first stage, the project is usually transferred to the Company.

Thus, the project is developed outside the Company, which, by doing this, eliminates the risks inherent to project development. Another advantage of this strategy is the broad know-how of the GDF SUEZ Group regarding the development of these projects aligned with its financial and management ability, features that enable greater savings in the analysis of new projects, leverage and trading power. When the time comes for the project to be transferred to the Company, it is examined by an independent financial institution and then transferred under market conditions. The other projects are internally developed by the Company.

Estreito Hydroelectric Power Plant (Estreito HPP)

The construction project of Estreito HPP, located on Tocantins River, on the border of the Tocantins and Maranhão States, is one of the greatest Brazilian generation projects, with an Installed Capacity of 1,087 MW. The project is controlled by the Estreito Consortium, composed of SUEZ Energia Renovável S.A (SER) (holding 40.1% of the equivalent share in the Consortium), Vale (30%), Alcoa Alumínio S.A. (25.5%) and Camargo Corrêa Energia Ltda (4.4%).

During the New Energy Auction held on 10.16.2007, 256 average MW of this hydroelectric utilization were sold at R$126.57/MWh (R$146.48 restated for 09.30.2010), starting in 2012 and works are on schedule.

In August 2010, after complying with all conditions precedent set forth in the Purchase Agreement executed in December 2009, the Company completed the acquisition of common shares and other covenants of SUEZ Energia Renovável S.A., owned by its parent company GDF SUEZ Energy Latin America Participações Ltda. (GSELA). SER holds a 40.07% interest in Estreito Energia Consortium (Ceste), created for the implementation and operation of Estreito Hydroelectric Power Plant (UHE Estreito), under construction in the border between the states of Tocantins and Maranhão, whose installed capacity will be 1,087 MW.

Total acquisition cost comprises: (i) R$604,390 corresponding to the original amount on the execution date of the agreement; (ii) R$24,620 for the monetary restatement and compensatory interest on the original amount; and (iii) R$169,735 related to advances for future capital increase, including monetary restatement and interest, conducted by GSELA between the execution date of the agreement and the payment date, for investments in the construction of the plant.

Jirau Hydroelectric Power Plant (Jirau HPP)

Energia Sustentável do Brasil is responsible for the construction, maintenance, operation and sale of energy to be generated by the Jirau plant, which is under construction in Porto Velho, in the state of Rondônia. This company, composed of GDF SUEZ (50.1%), Eletrosul (20.0%), Chesf (20.0%) and Camargo Corrêa (9.9%), won the concession auction organized by ANEEL on 05.19.2008, by offering the best proposal for the 70% of the energy produced by the plant to captive consumers served by energy distributors, as of January 2013. HPP Jirau startup is estimated for May 2012 and the anticipation of the turbine ramp up will make a large amount of energy available to be offered on the free market.

The plant will produce 3,450 MW, coming from 46 75 MW turbines, with assured energy of more than 2,000 average MW, and its concession agreement is expected to last for a period of 35 years. HPP Jirau's installed capacity and assured energy may experience increases due to modifications that have been submitted to ANEEL and the Ministry of Mines and Energy (MME). Following the current business model, there is the chance that the Company may acquire its parent company's portion of the project as soon as the main development risks have been mitigated, which is expected to not occur before the end of the second quarter of 2011.

Acquisition of Trairí Project companies

In November 2009, the Company, through its wholly-owned subsidiary TBLP, acquired companies with wind generation projects in the state of Ceará, called Trairí Project, whose installed capacity is 121.9 MW.

The projects acquired have wind measurement, energy generation certification, previous environmental licenses and leasing agreement and basic and environmental projects required by installation license have been executed. Five of these projects participated in the reserve energy auction sponsored by Aneel in December 2009 and August 2010, however, the energy was not contracted. The Company is analyzing the best alternative to make available the implementation of said projects.

Other Projects

The Company is studying new investment opportunities, including the participation in the various energy auctions held by the Brazilian federal government to compete for selected hydroelectric projects and to offer thermoelectric (coal and biomass) and wind power projects under development.

Following the GDF SUEZ Group's sustainability guidelines, the Company is analyzing the possibility to expand the participation of alternative types of energy in its portfolio by developing new projects of electricity generation fueled by biomass (in partnership with the major sugar-ethanol groups), waste fuel, wind, solar and tidal energy. The Company is also analyzing the possibility to invest in coal-powered plants destined to the foreign market and, possibly, to the domestic market as well.

1. Shareholding of owners of more than 5% of the Company's capital stock on 09/30/2010[15].

Shareholder	Number of common shares	% of capital	Nationality
GDF SUEZ Energy Latin America Participações Ltda. (GSELA)	448,512,624	68.71	Brazilian
Banco Clássico S.A.	65,268,744	10.00	Brazilian
	513,781,368	**78.71**	

1.1 Distribution of capital stock of the controlling shareholders to the individual level.

1.1.1 GDF SUEZ Energy Latin America Participações Ltda. (GSELA)

Quotaholders	Number of quotas	% of capital	Nationality
SUEZ-Tractebel S.A.	668,322,228	99.99	Belgian
Telfin S.A.	1	0.01	Belgian
	668,322,229	**100.00**	

1.1.1.1 SUEZ – Tractebel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
Electrabel S.A.	129,882,864	99.97	Belgian
Other	31,178	0.03	
	129,914,042	**100.00**	

1.1.1.1.1 Electrabel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
GDF SUEZ S.A.	77,466,078	95.65	French
Other	1,059,769	1.35	
	78,525,847	**100.00**	

[15] Information not revised by Independent Auditors

20.01 – OTHER INFORMATION DEEMED RELEVANT BY THE COMPANY

1.1.1.1.1.1 GDF SUEZ S.A.

Quotaholders	Number of quotas	% of capital	Nationality
Groupe Bruxelles Lambert (GBL)	117,183,738	5.18	Belgian
French Republic	811,158,130	35.88	French
Other (*)	1,332,634,399	58.94	
	2,260,976,267	**100.00**	

(*) The shares of GDF Suez S.A. are widely distributed, and the Company is not aware of other shareholders but GBL and Republic of France with more than 5% of the total of the Company's shares.

1.1.1.1.1.1.1 Groupe Bruxelles Lambert (GBL)

Quotaholders	Number of quotas	% of capital	Nationality
Pargesa Netherlands B.V. (*)	80,680,729	50.00	Dutch
Other	80,677,558	50.00	
	161,358,287	**100.00**	

(*) Pargesa Netherlands B.V. indirectly holds interest lower than 5% in the Company.

1.1.1.1.1.1.1.1 Pargesa Netherlands B. V. (Pargesa)

Pargesa Holding S.A. holds 99.99% of Pargesa Netherlands B.V. which on its turn indirectly holds interest lower than 5% of the Company. Pargesa is a company listed on the Swiss stock exchange. The company understands that the breakdown of shareholders of Pargesa Holding S.A. is already disclosed and informed by this company through its financial statements required by the regulatory agencies of that country and on its website.

1.1.2 Banco Clássico S.A.

Shareholder	Number of common shares	% of capital	Nationality
José João Abdalla Filho	745,685,582	99.99	Brazilian
José Pais Rangel	1,019	0.01	Brazilian
	745,686,601	**100.00**	

2. Shareholding of controlling shareholder, management and members of the fiscal council on 09/30/2010[16]:

	09/30/2010		09/30/2009	
Shareholder	**Number of common Shares**	**% of capital**	**Number of common shares**	**% of capital**
Controlling				
GDF Suez Energy Latin America Participações Ltda.	448,512,624	68.71	448,512,623	68.71
Board of Directors	119,903	0.02	325,504	0.06
Executive Board	17,986	-	17,986	-
Fiscal Council	-	-	-	-
	448,650,513	**68.73**	**448,883,113**	**68.77**

3. Number of outstanding shares on 09/30/2010:

	Number of common shares	**%**
Total Company's shares	652,742,192	100.00
Total shares held by the controlling shareholder and management	(448,650,513)	(68.73)
Total outstanding shares	**204,091,679**	**31.27**

4. Arbitration Clause

The Company's Bylaws is pursuant to the rules and procedures of *Novo Mercado* Listing Rules of BM&FBovespa and has included in Article 39 the following Arbitration Clause:

"The Company, its shareholders, management and members of the Fiscal Council undertake by means of arbitration to resolve any and all dispute or controversy that may arise among them, related to or derived from, especially, the application, validity, effectiveness, construal, infringement and their effects on the provisions contained in the Brazilian Corporate Law, in the Company's Bylaws, in the rules issued by the Brazilian Monetary Council, by the Brazilian Central Bank and by the Brazilian Securities and Exchange Commission, as well as other rules applicable to the operation of capital markets in general, besides those included in the *Novo Mercado* Listing Rules, in the Market Arbitration Panel Rules, and in the *Novo Mercado* Listing Agreement."

[16] Information not revised by Independent Auditors

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Shareholders, Directors and Management of
Tractebel Energia S.A.
Florianópolis, SC

1. We have reviewed the accounting information included in the accompanying interim financial statements of Tractebel Energia S.A. (the "Company") and subsidiaries for the quarter ended September 30, 2010, consisting of the individual (Company) and consolidated balance sheets, the related statements of income, changes in shareholders' equity and cash flows, the related notes and performance report, prepared under the responsibility of its Management.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the main criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that had or might have had material effects on the financial position and results of operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with standards established by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of the interim financial statements.

4. As mentioned in note 2, during 2009, the Brazilian Securities and Exchange Commission (CVM) approved several Accounting Pronouncements Committee's technical pronouncements, interpretations and instructions, mandatory for adoption in 2010, that changed the accounting practices adopted in Brazil. As permitted by CVM Resolution 603/09, the Company's management elected to present its interim financial statements in accordance with the accounting standards effective in Brazil through December 31, 2009, rather than early adopting the standards effective for fiscal years ending December 31, 2010. As required by CVM Resolution 603/09, the Company disclosed the basis of presentation of its interim financial statements in note 2, including a summary of the main changes that might impact its financial statements for the annual reporting period and an estimate of the main impacts of applying certain standards on shareholders' equity and net income, as well as clarifications on the reasons for not presenting an estimate of the possible effects of applying the new standards on shareholders' equity and net income, as required by said Resolution.

5. Accounting practices adopted in Brazil vary in certain significant respects from the International Financial Reporting Standards ("IFRS"). Information relating to the nature and effect of such differences is presented in Note 37 to the interim financial statements. As described in the referred note, the reconciliation of net income and shareholders' equity for the quarter and nine months period ended June 30, 2010 between accounting practices adopted in Brazil and IFRS does not represent a first-time adoption of IFRS since the Company has not presented a full set of financial statements prepared in accordance with IFRS and has not disclosed an explicit and unreserved statement of compliance with IFRS; accordingly, in the event the Company fully adopts IFRS in the future, the opening shareholders' equity balance presented in such reconciliation may be different from that presented in Note 37.

6. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, November 4, 2010 (except for note 37, for which the date is November 18, 2010)

DELOITTE TOUCHE TOHMATSU
Auditores Independentes
CRC 2SP 011.609/O-8 "F" SC

Paulo Roberto Marques Garrucho
Contador
CRC 1RJ 052.813/O-1 "S" SC

01.01 IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
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