Tractebel Energia
GDF SUEZ



Quarterly Information
ITR-3Q14

Financial and Investor Relations Department

CNPJ Nº 02.474.103/0001-19 / NIRE Nº 42 3 0002438-4

Address: Rua Paschoal Apóstolo Pítsica, 5064 – Agronômica – Florianópolis – SC – CEP 88.025-255

TBLE3 NOVO MERCADO BM&FBOVESPA
IBOVESPA
Índice de Sustentabilidade Empresarial ISE 2014
Índice de Ações com Governança Corporativa Diferenciada IGC
Índice de Ações com Tag Along Diferenciado ITAG

Index

Company Information

Capital Composition 1

Profit Distribution in Cash 2

Individual Financial Statements

Balance Sheet - Assets 3

Balance Sheet - Liabilities 4

Statement of Income 6

Statement of Comprehensive Income 7

Statement of Cash Flow 8

Statement of Changes in Shareholders' Equity (DMPL)

DMPL - from 1/1/2014 to 9/30/2014 9

DMPL - from 1/1/2013 to 9/30/2013 10

Statement of Added-value 11

Consolidated Financial Statements

Balance Sheet - Assets 12

Balance Sheet - Liabilities 13

Statement of Income 15

Statement of Comprehensive Income 16

Statement of Cash Flow 17

Statement of Changes in Shareholders' Equity (DMPL)

DMPL - from 1/1/2014 to 9/30/2014 18

DMPL - from 1/1/2013 to 9/30/2013 19

Statement of Added Value 20

Performance Commentary 21

Notes 27

Commentary on the Business Projections Performance 83

Other Relevant Information 87

Opinions and Statements

Special Review Report - Unqualified 88

Statement of the Executive Officers on the Financial Statements 90

Statement of the Executive Officers on the Independent Auditors' Report 91

Company Information / Capital Composition

Number of shares (Units)	Current quarter 9/30/2014
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Board of Directors' Meeting	10/25/2013	Interest on equity	2/28/2014	Common shares		0.37503
Annual Shareholders' Meeting	8/4/2014	Dividends	9/24/2014	Common shares		0.70745
Board of Directors' Meeting	7/25/2014	Dividends		Common shares		0.58233
Board of Directors' Meeting	10/24/2014	Interest on equity		Common shares		0.34164

Individual Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2014	Prior Year 12/31/2013
1	Total Assets	9,954,054	10,175,830
1.01	Current Assets	1,463,590	1,737,799
1.01.01	Cash and Cash Equivalents	191,410	949,470
1.01.03	Accounts Receivable	994,474	653,199
1.01.03.01	Trade Accounts Receivable	550,350	372,256
1.01.03.02	Other Accounts Receivable	444,124	280,943
1.01.03.02.01	Dividends receivable from subsidiaries	108,183	141,342
1.01.03.02.02	Fuel reimbursable	224,786	139,601
1.01.03.02.03	Revenue re-composition on CCEE	111,155	0
1.01.04	Inventories	67,174	60,864
1.01.06	Recoverable Taxes	2,433	722
1.01.06.01	Current Taxes Recoverable	2,433	722
1.01.06.01.02	Other tax credits recoverable	2,433	722
1.01.08	Other Current Assets	208,099	73,544
1.01.08.03	Other	208,099	73,544
1.01.08.03.01	Restricted deposits	1,672	10
1.01.08.03.02	Other current assets	119,541	73,534
1.01.08.03.03	Non-current asset held for sale	86,886	0
1.02	Non-current Assets	8,490,464	8,438,031
1.02.01	Long Term Assets	253,149	296,880
1.02.01.03	Accounts Receivable	33,939	31,398
1.02.01.03.01	Trade Accounts Receivable	33,939	31,398
1.02.01.09	Other Non-current Assets	219,210	265,482
1.02.01.09.04	Other tax credits recoverable	46,636	26,642
1.02.01.09.05	Amounts receivable from sale of asset	0	86,886
1.02.01.09.06	Restricted deposits	39,521	37,084
1.02.01.09.07	Judicial deposits	111,642	105,211
1.02.01.09.08	Other non-current assets	21,411	9,659
1.02.02	Investments	2,674,850	2,416,266
1.02.02.01	Equity Interest	2,674,850	2,416,266
1.02.02.01.02	Interest on Subsidiaries	2,371,883	2,093,137
1.02.02.01.03	Interest in Joint Ventures	302,967	323,129
1.02.03	Property, Plant and Equipment	5,552,089	5,713,965
1.02.03.01	Property, Plant and Equipment in Operation	5,278,468	5,527,803
1.02.03.03	Construction in Progress	273,621	186,162
1.02.04	Intangible Assets	10,376	10,920
1.02.04.01	Intangible Assets	10,376	10,920

Individual Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2014	Prior Year 12/31/2013
2	Total Liabilities	9,954,054	10,175,830
2.01	Current Liabilities	1,460,493	1,718,050
2.01.01	Social and Labor Obligations	70,160	63,757
2.01.01.02	Labor Obligations	70,160	63,757
2.01.01.02.01	Provision for remuneration and charges	70,160	63,757
2.01.02	Suppliers	260,907	281,711
2.01.02.01	Domestic Suppliers	260,907	281,711
2.01.03	Tax Liabilities	226,918	431,587
2.01.03.01	Federal Tax Liabilities	226,918	431,587
2.01.03.01.01	Income and Social Contribution Taxes Payable	246,618	437,854
2.01.03.01.02	(-) Federal taxes to offset	-19,700	-6,267
2.01.04	Loans and Financing	275,455	517,411
2.01.04.01	Loans and Financing	275,455	343,339
2.01.04.01.01	In Local Currency	51,789	342,622
2.01.04.01.02	In Foreign Currency	223,666	717
2.01.04.02	Debentures	0	174,072
2.01.05	Other Liabilities	582,126	380,428
2.01.05.02	Other	582,126	380,428
2.01.05.02.01	Dividends and Interest on Equity Payable	395,249	220,917
2.01.05.02.04	Concessions payable	50,047	47,397
2.01.05.02.05	Other tax and regulatory liabilities	64,619	43,799
2.01.05.02.06	Research and development obligations	56,164	48,529
2.01.05.02.08	Other current liabilities	16,047	19,786
2.01.06	Provisions	44,927	43,156
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	16,076	14,305
2.01.06.01.01	Tax Provisions	97	709
2.01.06.01.02	Social Security and Labor Provisions	3,000	2,500
2.01.06.01.04	Civil Provisions	12,979	11,096
2.01.06.02	Other Provisions	28,851	28,851
2.01.06.02.04	Retirement benefits obligations	28,851	28,851
2.02	Non-current liabilities	3,073,413	3,096,407
2.02.01	Loans and Financing	931,112	929,553
2.02.01.01	Loans and Financing	931,112	929,553
2.02.01.01.01	In Local Currency	563,033	590,164
2.02.01.01.02	In Foreign Currency	368,079	339,389
2.02.02	Other Liabilities	1,660,286	1,658,490
2.02.02.02	Other	1,660,286	1,658,490
2.02.02.02.03	Concessions payable	1,614,585	1,504,431
2.02.02.02.04	Research and development obligations	30,963	26,416
2.02.02.02.05	Other Liabilities	14,738	127,643
2.02.03	Deferred Taxes	104,600	141,042
2.02.03.01	Deferred Income and Social Contribution Taxes	104,600	141,042
2.02.04	Provisions	377,415	367,322
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	192,067	177,654
2.02.04.01.01	Tax Provisions	19,343	20,096
2.02.04.01.02	Social Security and Labor Provisions	7,816	7,146

Individual Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2014	Prior Year 12/31/2013
2.02.04.01.04	Civil Provisions	164,908	150,412
2.02.04.02	Other Provisions	185,348	189,668
2.02.04.02.04	Retirement benefits obligations	185,348	189,668
2.03	Shareholders' equity	5,420,148	5,361,373
2.03.01	Paid-in Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital reserves	91,695	91,695
2.03.04	Profit Reserves	1,782,294	2,233,572
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	1,220,337	1,220,337
2.03.04.07	Tax Incentive Reserve	72,804	62,294
2.03.04.08	Additional Dividend Proposed	0	461,788
2.03.05	Retained Earnings/Losses	540,465	0
2.03.06	Assets Valuation Adjustments	497,004	527,416
2.03.08	Other Comprehensive Income	62,924	62,924

Individual Financial Statements / Statement of Income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2014 to 9/30/2014	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Same Quarter in the Prior Year 7/1/2013 to 9/30/2013	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
3.01	Revenue from Sales of Goods and/or Services	1,201,656	3,221,525	908,611	2,649,174
3.02	Cost of Products and/or Services Sold	-477,376	-1,890,879	-326,485	-912,998
3.02.01	Electrical energy purchased for resale	-98,105	-197,468	-23,936	-65,419
3.02.02	Transactions in the short-term energy market	-36,910	-754,975	-24,721	-44,504
3.02.03	Charges for the use of and connection to the power grid	-72,184	-200,238	-61,687	-179,082
3.02.04	Cost of electrical energy production	-263,610	-719,987	-209,898	-604,895
3.02.05	Cost of services rendered	-6,567	-18,211	-6,243	-19,098
3.03	Gross Income	724,280	1,330,646	582,126	1,736,176
3.04	Operating Expenses/Income	71,261	75,018	5,573	12,568
3.04.01	Sales Expenses	-2,409	-8,012	-2,422	-7,900
3.04.02	General and Administrative Expenses	-40,789	-124,917	-39,336	-120,879
3.04.04	Other Operating Income	2,445	4,752	295	1,135
3.04.05	Other Operating Expenses	-968	-871	71	-1,887
3.04.05.01	(Accrual) reversal of operating provisions	-617	-155	2,169	562
3.04.05.02	Other Operating Expenses	-351	-716	-2,098	-2,449
3.04.06	Equity income (loss)	112,982	204,066	46,965	142,099
3.04.06.01	Equity	113,816	206,570	48,117	145,445
3.04.06.02	Goodwill amortization (concession right)	-834	-2,504	-1,152	-3,346
3.05	Income (Loss) Before Financial Result and Taxes	795,541	1,405,664	587,699	1,748,744
3.06	Financial Result	-47,701	-140,922	-13,500	-100,518
3.06.01	Financial Income	22,665	137,737	70,032	130,841
3.06.02	Financial Expenses	-70,366	-278,659	-83,532	-231,359
3.07	Income (Loss) Before Income Taxes	747,840	1,264,742	574,199	1,648,226
3.08	Income and Social Contribution Taxes	-209,820	-364,065	-172,812	-498,262
3.08.01	Current	-217,005	-400,507	-218,797	-539,579
3.08.02	Deferred	7,185	36,442	45,985	41,317
3.09	Net Income (Loss) from Continuing Operations	538,020	900,677	401,387	1,149,964
3.11	Net Income (Loss) for the Period	538,020	900,677	401,387	1,149,964
3.99	Earnings per Share – (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.82425	1.37984	0.61492	1.76174
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.82425	1.37984	0.61492	1.76174

Individual Financial Statements / Statement of Comprehensive Income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2014 to 9/30/2014	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Same Quarter in the Prior Year 7/1/2013 to 9/30/2013	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
4.01	Net Income for the Period	538,020	900,677	401,387	1,149,964
4.03	Comprehensive Income for the Period	538,020	900,677	401,387	1,149,964

Individual Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
6.01	Net Cash from Operating Activities	400,790	1,333,849
6.01.01	Cash Generated from Operations	1,545,676	1,945,781
6.01.01.01	Income before income taxes	1,264,742	1,648,226
6.01.01.02	Equity Interest income (loss)	-204,066	-142,099
6.01.01.03	Depreciation and amortization	289,743	273,078
6.01.01.04	Monetary and foreign exchange variance	35,809	75,853
6.01.01.05	Interest	156,121	87,811
6.01.01.06	Other	3,327	2,912
6.01.02	Changes in Assets and Liabilities	-1,144,886	-611,932
6.01.02.01	Trade accounts receivable	-176,474	-73,160
6.01.02.02	Fuel reimbursable	-85,185	-64,727
6.01.02.03	Other tax credits recoverable	-22,009	-6,541
6.01.02.04	Inventories	-6,310	-16,498
6.01.02.05	Restricted and judicial deposits	29	-762
6.01.02.06	Receivables on revenue re-composition on CCEE	-111,155	0
6.01.02.07	Other assets	-61,066	9,024
6.01.02.08	Suppliers	-12,876	-5,665
6.01.02.10	Payment of income and social contribution taxes	-485,554	-401,158
6.01.02.11	Payment of interest on loans, financing and debentures	-84,147	-54,557
6.01.02.12	Research and development obligations	12,182	13,667
6.01.02.13	Retirement benefits obligations	-21,863	-18,995
6.01.02.14	Income and social contribution taxes payable	-57,631	-32,827
6.01.02.10	Other tax and regulatory liabilities	18,702	17,976
6.01.02.15	Other liabilities	-51,529	22,291
6.02	Net Cash from Investment Activities	-157,049	-216,226
6.02.01	Increase in investments	-222,710	-44,861
6.02.02	Acquisition of property, plant and equipment	-132,878	-191,404
6.02.03	Acquisition of intangible assets	-2,812	-1,899
6.02.04	Dividends received from subsidiaries	201,351	21,938
6.03	Net Cash from Financing Activities	-1,001,801	-1,625,230
6.03.01	Loans and financing obtained	233,854	360,650
6.03.02	Loans, financing and debentures paid	-495,425	-371,649
6.03.03	Concession installments payable paid	-37,075	-2,155
6.03.04	Dividends and interest on equity paid	-703,145	-1,612,076
6.03.05	Deposits related to debt service	-10	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	-758,060	-507,607
6.05.01	Opening Balance of Cash and Cash Equivalents	949,470	736,317
6.05.02	Closing Balance of Cash and Cash Equivalents	191,410	228,710

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2014 to 9/30/2014

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373
5.03	Adjusted Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373
5.04	Capital Transactions with Shareholders	0	0	-461,788	-380,114	0	-841,902
5.04.08	Dividends for the 2nd quarter of 2013	0	0	-461,788	0	0	-461,788
5.04.09	Dividends for the 1st half of 2014	0	0	0	-380,114	0	-380,114
5.05	Total Comprehensive Income	0	0	0	900,677	0	900,677
5.05.01	Net Income for the Period	0	0	0	900,677	0	900,677
5.06	Internal Changes in Shareholders' Equity	0	0	10,510	19,902	-30,412	0
5.06.04	Tax incentive reserve	0	0	10,510	-10,510	0	0
5.06.05	Property, plant and equipment fair value adjustment realization, net of taxes	0	0	0	30,412	-30,412	0
5.07	Closing Balances	2,445,766	91,695	1,782,294	540,465	559,928	5,420,148

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2013 to 9/30/2013

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588
5.03	Adjusted Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588
5.04	Capital Transactions with Shareholders	0	0	-576,429	-767,568	0	-1,343,997
5.04.08	Dividends for the 2nd quarter of 2012	0	0	-576,429	0	0	-576,429
5.04.09	Dividends for the 1st half of 2013	0	0	0	-767,568	0	-767,568
5.05	Total Comprehensive Income	0	0	0	1,149,964	0	1,149,964
5.05.01	Net Income for the Period	0	0	0	1,149,964	0	1,149,964
5.06	Internal Changes in Shareholders' Equity	0	0	15,352	25,741	-41,093	0
5.06.04	Tax incentive reserve	0	0	15,352	-15,352	0	0
5.06.05	Property, plant and equipment fair value adjustment realization, net of taxes	0	0	0	41,093	-41,093	0
5.07	Closing Balances	2,445,766	91,695	1,769,940	408,137	590,017	5,305,555

Individual Financial Statements / Statement of Added Value

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
7.01	Revenues	3,564,170	2,932,823
7.01.01	Sale of Products and Services	3,560,134	2,934,137
7.01.02	Other Income	4,036	-1,314
7.01.02.01	Other operating income	4,752	1,135
7.01.02.02	Other operating (expenses)	-716	-2,449
7.02	Inputs Acquired from Third Parties	-1,393,812	-473,385
7.02.01	Cost of Products and Services Sold	-1,099,351	-144,636
7.02.02	Materials, Energy, Third Parties Services and Other	-124,809	-118,641
7.02.04	Other	-169,652	-210,108
7.02.04.01	Charges for the use of and connection to the power grid	-200,238	-179,082
7.02.04.02	Other	30,586	-31,026
7.03	Gross Added Value	2,170,358	2,459,438
7.04	Retentions	-289,743	-273,078
7.04.01	Depreciation, Amortization and Depletion	-289,743	-273,078
7.05	Net Added Value Generated	1,880,615	2,186,360
7.06	Added Value Received in Transfer	341,803	272,940
7.06.01	Equity income (loss)	204,066	142,099
7.06.02	Financial Income	137,737	130,841
7.07	Total Added Value to Distribute	2,222,418	2,459,300
7.08	Distribution of Added Value	2,222,418	2,459,300
7.08.01	Labor	188,817	171,838
7.08.01.01	Direct Remuneration	121,451	110,340
7.08.01.02	Benefits	38,379	35,551
7.08.01.03	F.G.T.S.	8,745	7,749
7.08.01.04	Other	20,242	18,198
7.08.02	Taxes, Duties and Contributions	715,729	787,447
7.08.02.01	Federal	698,548	770,816
7.08.02.02	State	15,601	15,248
7.08.02.03	Municipal	1,580	1,383
7.08.03	Third Parties Capital Remuneration	134,771	138,111
7.08.03.01	Interest	117,417	118,376
7.08.03.02	Rentals	7,487	6,665
7.08.03.03	Other	9,867	13,070
7.08.03.03.01	Capitalized interest	216	82
7.08.03.03.02	Other financial expenses	9,651	12,988
7.08.04	Remuneration of Own Capital	900,677	1,149,964
7.08.04.02	Dividends	841,902	767,568
7.08.04.03	Retained Earnings / Loss for the Period	58,775	382,396
7.08.05	Other	282,424	211,940
7.08.05.01	Sectorial charges	132,545	112,425
7.08.05.02	Charges on concessions payable	149,879	99,515

Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2014	Prior Year 12/31/2013
1	Total Assets	12,327,230	12,654,397
1.01	Current Assets	2,035,584	2,338,458
1.01.01	Cash and Cash Equivalents	450,140	1,224,276
1.01.03	Accounts Receivable	1,176,251	879,927
1.01.03.01	Trade Accounts Receivable	840,310	740,326
1.01.03.02	Other Accounts Receivable	335,941	139,601
1.01.03.02.01	Fuel reimbursable	224,786	139,601
1.01.03.02.02	Receivables on revenue re-composition on CCEE	111,155	0
1.01.04	Inventories	73,745	64,785
1.01.06	Recoverable Taxes	62,083	81,582
1.01.06.01	Current Taxes Recoverable	62,083	81,582
1.01.06.01.01	Income and social contribution taxes recoverable	7,486	21,752
1.01.06.01.02	Other tax credits recoverable	54,597	59,830
1.01.08	Other Current Assets	273,365	87,888
1.01.08.03	Other	273,365	87,888
1.01.08.03.01	Restricted deposits	48,973	3,833
1.01.08.03.02	Other current assets	137,506	84,055
1.01.08.03.03	Non-current asset held for sale	86,886	0
1.02	Non-current Assets	10,291,646	10,315,939
1.02.01	Long Term Assets	422,855	481,360
1.02.01.03	Accounts Receivable	3,581	4,432
1.02.01.03.01	Trade Accounts Receivable	3,581	4,432
1.02.01.06	Deferred Taxes	16,132	17,575
1.02.01.06.01	Deferred Income and Social Contribution Taxes	16,132	17,575
1.02.01.09	Other Non-current Assets	403,142	459,353
1.02.01.09.03	Income and social contribution taxes recoverable	11,228	8,125
1.02.01.09.04	Other tax credits recoverable	94,445	100,222
1.02.01.09.05	Amounts receivable from sale of asset	0	86,886
1.02.01.09.06	Restricted deposits	146,155	130,857
1.02.01.09.07	Judicial deposits	113,362	106,854
1.02.01.09.08	Other non-current assets	37,952	26,409
1.02.03	Property, Plant and Equipment	9,555,319	9,708,227
1.02.03.01	Property, Plant and Equipment in Operation	9,232,282	9,393,802
1.02.03.03	Construction in Progress	323,037	314,425
1.02.04	Intangible Assets	313,472	126,352
1.02.04.01	Intangible Assets	313,472	126,352

Consolidated Financial Statements / Balance sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2014	Prior Year 12/31/2013
2	Total Liabilities	12,327,230	12,654,397
2.01	Current Liabilities	1,899,599	2,183,704
2.01.01	Social and Labor Obligations	70,656	64,122
2.01.01.02	Labor Obligations	70,656	64,122
2.01.01.02.01	Provision for remuneration and charges	70,656	64,122
2.01.02	Suppliers	390,560	510,346
2.01.02.01	Domestic Suppliers	390,560	510,346
2.01.03	Tax Liabilities	247,791	434,166
2.01.03.01	Federal Tax Liabilities	247,791	434,166
2.01.03.01.01	Income and Social Contribution Taxes Payable	267,926	441,077
2.01.03.01.02	(-) Federal taxes to offset	-20,135	-6,911
2.01.04	Loans and Financing	431,546	666,915
2.01.04.01	Loans and Financing	431,546	492,843
2.01.04.01.01	In Local Currency	207,880	492,126
2.01.04.01.02	In Foreign Currency	223,666	717
2.01.04.02	Debentures	0	174,072
2.01.05	Other Liabilities	713,288	464,168
2.01.05.02	Other	713,288	464,168
2.01.05.02.01	Dividends and Interest on Equity Payable	395,608	221,276
2.01.05.02.04	Concessions payable	54,657	51,763
2.01.05.02.05	Other tax and regulatory liabilities	89,867	62,927
2.01.05.02.06	Research and development obligations	63,908	55,997
2.01.05.02.07	Obligations from investments acquisition	70,829	3,573
2.01.05.02.08	Other current liabilities	38,419	68,632
2.01.06	Provisions	45,758	43,987
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	16,907	15,136
2.01.06.01.01	Tax Provisions	97	709
2.01.06.01.02	Social Security and Labor Provisions	3,000	2,500
2.01.06.01.04	Civil Provisions	13,810	11,927
2.01.06.02	Other Provisions	28,851	28,851
2.01.06.02.04	Retirement benefits obligations	28,851	28,851
2.02	Non-current liabilities	5,003,722	5,106,082
2.02.01	Loans and Financing	2,758,313	2,829,645
2.02.01.01	Loans and Financing	2,758,313	2,829,645
2.02.01.01.01	In Local Currency	2,390,234	2,490,256
2.02.01.01.02	In Foreign Currency	368,079	339,389
2.02.02	Other Liabilities	1,742,328	1,743,270
2.02.02.02	Other	1,742,328	1,743,270
2.02.02.02.03	Concessions payable	1,654,982	1,543,406
2.02.02.02.04	Research and development obligations	32,813	27,416
2.02.02.02.05	Obligations from investments acquisition	792	12,846
2.02.02.02.06	Other liabilities	53,741	159,602
2.02.03	Deferred Taxes	122,738	163,663
2.02.03.01	Deferred Income and Social Contribution Taxes	122,738	163,663
2.02.04	Provisions	380,343	369,504
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	194,995	179,836

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2014	Prior Year 12/31/2013
2.02.04.01.01	Tax Provisions	20,004	20,686
2.02.04.01.02	Social Security and Labor Provisions	8,269	7,414
2.02.04.01.04	Civil Provisions	166,722	151,736
2.02.04.02	Other Provisions	185,348	189,668
2.02.04.02.04	Retirement benefits obligations	185,348	189,668
2.03	Consolidated Shareholders' Equity	5,423,909	5,364,611
2.03.01	Paid-in Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital reserves	91,695	91,695
2.03.04	Profit Reserves	1,782,294	2,233,572
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	1,220,337	1,220,337
2.03.04.07	Tax Incentive Reserve	72,804	62,294
2.03.04.08	Additional Dividend Proposed	0	461,788
2.03.05	Retained Earnings/Losses	540,465	0
2.03.06	Assets Valuation Adjustments	497,004	527,416
2.03.08	Other Comprehensive Income	62,924	62,924
2.03.09	Non-controlling Shareholders Interests	3,761	3,238

Consolidated Financial Statements / Statement of Income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2014 to 9/30/2014	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Same Quarter in the Prior Year 7/1/2013 to 9/30/2013	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
3.01	Revenue from Sales of Goods and/or Services	1,736,565	4,744,410	1,416,462	4,080,708
3.02	Cost of Products and/or Services Sold	-818,040	-3,031,220	-709,313	-1,972,421
3.02.01	Electrical energy purchased for resale	-344,787	-929,386	-197,836	-564,197
3.02.02	Transactions in the short-term energy market	-39,413	-893,427	-138,552	-328,319
3.02.03	Charges for the use of and connection to the power grid	-87,659	-244,467	-78,763	-228,775
3.02.04	Cost of electrical energy production	-339,614	-945,729	-287,919	-832,032
3.02.05	Cost of services rendered	-6,567	-18,211	-6,243	-19,098
3.03	Gross Income	918,525	1,713,190	707,149	2,108,287
3.04	Operating Expenses/Income	-48,255	-144,011	-47,665	-144,504
3.04.01	Sales Expenses	-3,830	-12,972	-4,436	-13,331
3.04.02	General and Administrative Expenses	-45,782	-134,653	-41,528	-126,571
3.04.04	Other Operating Income	2,446	4,814	296	1,153
3.04.05	Other Operating Expenses	-1,089	-1,200	-1,997	-5,755
3.04.05.01	(Accrual) reversal of operating provisions	-724	-389	163	-3,168
3.04.05.02	Other Operating Expenses	-365	-811	-2,160	-2,587
3.05	Income (Loss) Before Financial Result and Taxes	870,270	1,569,179	659,484	1,963,783
3.06	Financial Result	-74,486	-227,915	-61,943	-252,261
3.06.01	Financial Income	34,923	169,653	78,545	154,018
3.06.02	Financial Expenses	-109,409	-397,568	-140,488	-406,279
3.07	Income (Loss) Before Income Taxes	795,784	1,341,264	597,541	1,711,522
3.08	Income and Social Contribution Taxes	-257,560	-440,064	-195,998	-561,088
3.08.01	Current	-255,230	-479,546	-241,013	-597,155
3.08.02	Deferred	-2,330	39,482	45,015	36,067
3.09	Net Income (Loss) from Continuing Operations	538,224	901,200	401,543	1,150,434
3.11	Consolidated Income/Loss for the Period	538,224	901,200	401,543	1,150,434
3.11.01	Attributed to the Parent Company's Shareholders	538,020	900,677	401,387	1,149,964
3.11.02	Attributed to Non-controlling Shareholders	204	523	156	470
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.82456	1.38064	0.61516	1.76246
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.82456	1.38064	0.61516	1.76246

Consolidated Financial Statements / Statement of Comprehensive Income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2014 to 9/30/2014	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Same Quarter in the Prior Year 7/1/2013 to 9/30/2013	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
4.01	Consolidated Net Income for the Period	538,224	901,200	401,543	1,150,434
4.03	Consolidated Comprehensive Income for the Period	538,224	901,200	401,543	1,150,434
4.03.01	Attributed to the Parent Company's Shareholders	538,020	900,677	401,387	1,149,964
4.03.02	Attributed to Non-controlling Shareholders	204	523	156	470

Consolidated Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
6.01	Net Cash from Operating Activities	804,107	1,724,514
6.01.01	Cash Generated from Operations	2,085,223	2,464,659
6.01.01.01	Income before income taxes	1,341,264	1,711,522
6.01.01.02	Depreciation and amortization	441,806	433,558
6.01.01.03	Monetary and foreign exchange variance	37,864	92,972
6.01.01.04	Interest	260,375	223,766
6.01.01.05	Other	3,914	2,841
6.01.02	Changes in Assets and Liabilities	-1,281,116	-740,145
6.01.02.01	Trade accounts receivable	-94,723	-116,928
6.01.02.02	Fuel reimbursable	-85,185	-64,727
6.01.02.03	Other tax credits recoverable	11,894	27,004
6.01.02.04	Inventories	-8,960	-17,847
6.01.02.05	Restricted and judicial deposits	3,980	-312
6.01.02.06	Receivables on revenue re-composition on CCEE	-111,155	0
6.01.02.07	Other assets	-59,369	1,973
6.01.02.08	Suppliers	-96,650	97,552
6.01.02.09	Payment of income and social contribution taxes	-518,671	-474,527
6.01.02.10	Payment of interest on loans, financing and debentures	-193,650	-183,312
6.01.02.11	Research and development obligations	13,308	16,499
6.01.02.12	Retirement benefits obligations	-21,863	-18,995
6.01.02.13	Income and Social Contribution Taxes Payable	-85,952	-11,832
6.01.02.14	Other tax and regulatory liabilities	22,876	10,564
6.01.02.15	Other liabilities	-56,996	-5,257
6.02	Net Cash from Investment Activities	-456,434	-429,050
6.02.01	Increase in investments	-215,526	-11,462
6.02.02	Acquisition of property, plant and equipment	-231,553	-412,620
6.02.03	Acquisition of intangible assets	-9,355	-4,968
6.03	Net Cash from Financing Activities	-1,121,809	-1,710,140
6.03.01	Loans and financing obtained	234,415	458,934
6.03.02	Loans. financing and debentures paid	-606,732	-520,557
6.03.03	Concession installments payable paid	-40,621	-38,198
6.03.04	Dividends and interest on equity paid	-703,145	-1,612,076
6.03.05	Deposits related to debt service	-5,726	1,757
6.05	Increase (Decrease) in Cash and Cash Equivalents	-774,136	-414,676
6.05.01	Opening Balance of Cash and Cash Equivalents	1,224,276	1,179,976
6.05.02	Closing Balance of Cash and Cash Equivalents	450,140	765,300

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2014 to 9/30/2014

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373	3,238	5,364,611
5.03	Adjusted Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373	3,238	5,364,611
5.04	Capital Transactions with Shareholders	0	0	-461,788	-380,114	0	-841,902	0	-841,902
5.04.08	Dividends for the 2nd quarter of 2013	0	0	-461,788	0	0	-461,788	0	-461,788
5.04.09	Dividends for the 1st half of 2014	0	0	0	-380,114	0	-380,114	0	-380,114
5.05	Total Comprehensive Income	0	0	0	900,677	0	900,677	523	901,200
5.05.01	Net Income for the Period	0	0	0	900,677	0	900,677	523	901,200
5.06	Internal Changes in Shareholders' Equity	0	0	10,510	19,902	-30,412	0	0	0
5.06.04	Tax incentive reserve	0	0	10,510	-10,510	0	0	0	0
5.06.05	Property, plant and equipment fair value adjustment realization, net of taxes	0	0	0	30,412	-30,412	0	0	0
5.07	Closing Balances	2,445,766	91,695	1,782,294	540,465	559,928	5,420,148	3,761	5,423,909

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2013 to 9/30/2013

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588	2,663	5,502,251
5.03	Adjusted Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588	2,663	5,502,251
5.04	Capital Transactions with Shareholders	0	0	-576,429	-767,568	0	-1,343,997	0	-1,343,997
5.04.08	Dividends for the 2nd quarter of 2012	0	0	-576,429	0	0	-576,429	0	-576,429
5.04.09	Dividends for the 1st half of 2013	0	0	0	-767,568	0	-767,568	0	-767,568
5.05	Total Comprehensive Income	0	0	0	1,149,964	0	1,149,964	470	1,150,434
5.05.01	Net Income for the Period	0	0	0	1,149,964	0	1,149,964	470	1,150,434
5.06	Internal Changes in Shareholders' Equity	0	0	15,352	25,741	-41,093	0	0	0
5.06.04	Tax incentive reserve	0	0	15,352	-15,352	0	0	0	0
5.06.05	Property, plant and equipment fair value adjustment realization, net of taxes	0	0	0	41,093	-41,093	0	0	0
5.07	Closing Balances	2,445,766	91,695	1,769,940	408,137	590,017	5,305,555	3,133	5,308,688

Consolidated Financial Statements / Statement of Added Value

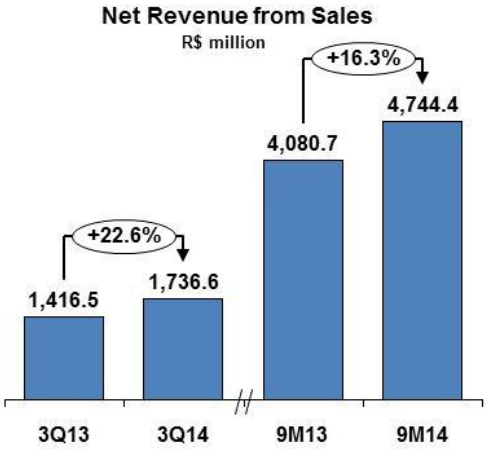
(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 9/30/2014	Accumulated in the Prior Year 1/1/2013 to 9/30/2013
7.01	Revenues	5,285,988	4,858,831
7.01.01	Sale of Products and Services	5,227,670	4,563,158
7.01.02	Other Income	4,003	-1,434
7.01.02.01	Other operating income	4,814	1,153
7.01.02.02	Other operating (expenses)	-811	-2,587
7.01.03	Income related to the Construction of Own Assets	54,332	298,955
7.01.04	Allowance for/Reversal of Allowance for Doubtful Accounts	-17	-1,848
7.02	Inputs Acquired from Third Parties	-2,419,519	-1,638,277
7.02.01	Cost of Products and Services Sold	-1,987,191	-941,927
7.02.02	Materials, Energy, Third Parties Services and Other	-157,303	-149,463
7.02.04	Other	-275,025	-546,887
7.02.04.01	Expenses with the construction of plants	-53,086	-281,783
7.02.04.02	Charges for the use of and connection to the power grid	-244,467	-228,775
7.02.04.03	Other	22,528	-36,329
7.03	Gross Added Value	2,866,469	3,220,554
7.04	Retentions	-441,806	-433,558
7.04.01	Depreciation, Amortization and Depletion	-441,806	-433,558
7.05	Net Added Value Generated	2,424,663	2,786,996
7.06	Added Value Received in Transfer	169,653	154,018
7.06.02	Financial Income	169,653	154,018
7.07	Total Added Value to Distribute	2,594,316	2,941,014
7.08	Distribution of Added Value	2,594,316	2,941,014
7.08.01	Labor	193,744	176,157
7.08.01.01	Direct Remuneration	125,438	113,947
7.08.01.02	Benefits	38,979	36,039
7.08.01.03	F.G.T.S.	9,085	7,973
7.08.01.04	Other	20,242	18,198
7.08.02	Taxes, Duties and Contributions	936,039	1,044,729
7.08.02.01	Federal	918,576	982,530
7.08.02.02	State	15,701	60,634
7.08.02.03	Municipal	1,762	1,565
7.08.03	Third Parties Capital Remuneration	252,329	281,223
7.08.03.01	Interest	226,284	239,309
7.08.03.02	Rentals	10,395	8,434
7.08.03.03	Other	15,650	33,480
7.08.03.03.01	Capitalized interest	1,246	17,172
7.08.03.03.02	Other financial expenses	14,404	16,308
7.08.04	Remuneration of Own Capital	900,677	1,149,964
7.08.04.02	Dividends	841,902	767,568
7.08.04.03	Retained Earnings / Loss for the Period	58,775	382,396
7.08.05	Other	311,527	288,941
7.08.05.01	Sectorial charges	155,913	138,364
7.08.05.02	Charges on concessions payable	155,091	150,107
7.08.05.03	Non-controlling shareholder	523	470

Economic-Financial Performance

Net Revenue from Sales

In 3Q14, Tractebel Energia posted growth in net revenue from sales of 22.6% or R$ 320.1 million compared to the same period in 2013, increasing from R$ 1,416.5 million to R$ 1,736.6 million. The principal factors driving this variation were: (i) R$ 99.2 million – an increase in average net selling price; (ii) R$ 74.0 million – an increase in average energy sales volume; (iii) R$ 47.4 million – an increase in revenues from transactions conducted in the short term market, including those ocurred within the scope of the Electric Power Trade Board (CCEE); and (iv) R$ 100.9 million – recognition of rights with respect to the reorganization of contractual revenue flow in the CCEE due to the forced stoppage at the Jorge Lacerda Thermoelectric Complex's generation units.



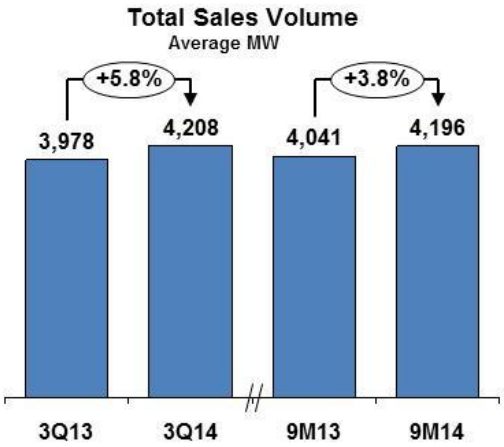
- **Net average selling price**

The average energy selling price, net of taxes on revenue, reached R$ 151.70/MWh in 3Q14, 7.8% higher than reported in the same quarter for 2013, when this same item stood at R$ 140.75/MWh. The price increase is essentially due to monetary restatement of existing contracts as well as higher prices for new sales agreements.



- **Sales volume**

Energy sales volume increased from 8,783 GWh (3,978 average MW) in 3Q13 to 9,291 GWh (4,208 average MW) in 3Q14, a year-on-year increase of 5.8% or 508 GWh (230 average MW). This increase is largely the result of a greater availability of energy for sale, due principally to the combined effect of increased purchased volumes, the startup in operations at the Trairí Wind Farm Complex and the acquisition of Ferrari TPP, events partially offset by the lower quantity of energy recorded at the CCEE.



Comments on Variation in Net Revenue from Sales by Client Class

a) Distributors

The Company reported revenue from sales to distributors of R$ 790.4 million in 3Q14, 12.9% higher than the R$ 700.0 million posted in 3Q13. A combination of the following factors contributed to this effect: (i) R$ 64.4 million – an increase of 9.0% in the net average selling price; and (ii) R$ 26.0 million – an increase of 161 GWh (73 average MW), or 3.5%, in sales volume due to energy sales on the occasion of the 13th Existing Energy Auction, partially offset by the reduction in contracted energy volume.

b) Trading Companies

Revenue from sales to trading companies declined from R$ 60.6 million in 3Q13 to R$ 45.8 million in 3Q14, a year-on-year reduction of 24.4%. This reflected the following factors: (i) R$ 9.9 million - a 88 GWh (40 average MW) or 17.0% decrease in the volume of energy sales; and (ii) R$ 4.9 million – a reduction of 8.9% in the net average selling price.

c) Free Consumers

Revenue from sales to free consumers increased by 20.5% between quarters from R$ 475.6 million in 3Q13 to R$ 573.2 million in the period under review. The following events contributed to this variation: (i) R$ 57.9 million – an 11.7% growth of 435 GWh (197 average MW) in the volume of energy sold; and (ii) R$ 39.7 million – an increase of 7.9% in the net average price of energy sales.

d) Transactions in the short term market including those conducted through the CCEE

In 3Q14, revenues generated from transactions in the short term market, including those within the scope of the CCEE, were R$ 219.4 million against R$ 172.0 million in the same period in 2013, representing year-on-year growth of R$ 47.4 million. A more detailed explanation as to these operations is to be found in the item below "Details of short term operations including transactions conducted through the CCEE".

Costs of Electric Energy and Services

The costs of electric energy sales and services increased year-on-year by R$ 108.7 million, or 15.3%, from R$ 709.3 million in 3Q13 to R$ 818.0 million in the quarter under analysis. These variations are principally due to the following components:

a) **Electric power purchased for resale:** an increase of R$ 146.9 million, or 74.3% in 3Q14, corresponding to 780 GWh (353 average MW) compared with the same quarter in 2013, reflecting the medium and long term power purchasing agreements as well as pricing readjustments to existing contracts.

b) **Transactions in the short term market, including those conducted through the CCEE:** on a year-on-year comparative basis, these transactions were 71.6% lower – equivalent to R$ 99.2 million. Greater details are described in the specific item below.

c) **Charges for the use of and connection to the electricity grid:** a year-on-year increase of R$ 8.9 million, equivalent to 11.3% reflecting the annual readjustment in transmission tariffs as well as the start-up in commercial operations at the Trairi Wind Farm Complex.

d) **Fuels for production of electric energy:** a growth of 975.7% or R$ 46.9 million relative to the same period in 2013 and reflecting principally the increase in natural gas consumption at the William Arjona Thermoelectric Power Plant (UTWA) in the light of the greater deployment of this unit during the quarter under review.

e) **Personnel:** an increase of R$ 5.4 million (or 12.7%) in 3Q14 compared with the third quarter in 2013 substantially due to the annual readjustment in employee salaries and benefits as well as further employees signing up to Voluntary Severance Packages (PDV), the latter having been reinstated in 2013 at the Company.

f) **Materials and third party services:** a year-on-year growth of 11.6%, or R$ 4.7 million due largely to greater demand for operating and maintenance services, more especially at the Jorge Lacerda Thermoelectric Complex, the São Salvador HPP and the Ferrari TPP.

Details of Short Term Operations Including Transactions Conducted through the CCEE

Short term operations are considered to be energy purchase or sale operation, not exceeding six months and having the optimization of Tractebel's exposure to the CCEE as their prime objective. Consequently, the price of these operations is characterized by the linkage with Price for Settlement of Differences (PLD) or spot price. This item also includes the transactions conducted through the CCEE, given the volatile and seasonal nature - and, therefore, short-term transactions - of the results originated from accounting in CCEE. Additionally, the long and short positions are settled at the spot price, thus, similar to the short-term operations described above.

As to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of an agent 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 the Company's portfolio management strategy, changes have been taking place in the billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing in the two years - the reason for including this specific topic, allowing us to analyze the oscillations of the principal elements involved in spite of allocation being 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 Assured Energy Adjustment Factor which occurs when the generation from the plants which are part of the MRE, in relation to allocated energy, is greater (Secondary Energy) or less (Generation Scaling Factor -GSF); (iii) the so-called "sub-market risk"; (iv) dispatch triggered by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) which will be settled at the spot price.

In 3Q14, the Company recorded a net positive result (the difference between revenues and expenses – less taxes and contributions thereon) from short term transactions (including those conducted within the scope of the CCEE) in the amount of R$ 180.0 million against a similarly positive figure of R$ 33.4 million posted in 3Q13. This represents a positive variation of R$ 146.6 million between the two compared quarters.

The trend essentially reflects a combination of the following factors: (i) a significant increase in the long position, reflecting the Company's strategy adopted for monthly allotments of energy; (ii) the negative effect of the Generation Scaling Factor (GSF), reflecting the deficit in hydro generation in the Brazilian electricity grid system in relation to energy allotted by market players; (iii) the increase in the Company's thermoelectric exposure, largely related to the impact of incidents which have resulted in forced stoppages at the Jorge Lacerda Thermoelectric Complex's generation units; and (iv) the constitution of provisions for covering the costs relative to the participation of the generators in the prorating of the System Service Charges (ESS), as ordained under CNPE Resolution 03/2013, in 3Q13, for the amount of R$ 18.0 million.

The impacts in 3Q14 relative to the incidents mentioned above reflect the insurance policy deductible – the latter being equivalent to the costs for the first 45 days of stoppage of the generation units and estimated at R$ 77.0 million – and the indemnification of the costs of the remaining days with no generation – R$ 100.9 million, net of tax as already described in the item "Net Revenue from Sales", as per the insurance policy agreement.

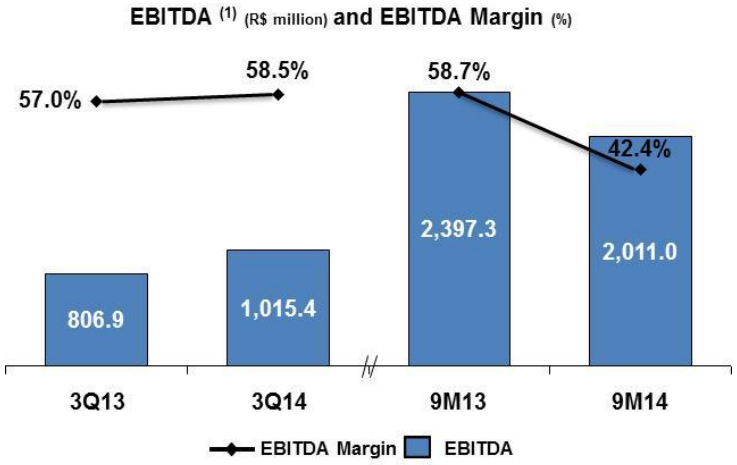
Worthy of consideration is the increase in the average PLD for the South and Southeast/Mid-Western submarkets from R$ 174.56/MWh in 3Q13 to R$ 662.10/MWh in 3Q14, making a notable contribution to the positive effects mentioned in item (i) and having negative impact on items (ii) and (iii).

Sales, General and Administrative Expenses

There was a year-on-year increase of R$ 3.6 million or 7.8% in sales, general and administrative expenses from R$ 46.0 million in 3Q13 to R$ 49.6 million in the quarter under review. These variations partially reflect the annual adjustment in employee salaries and benefits.

EBITDA and EBITDA Margin

Reflecting the effects mentioned above, Tractebel's 3Q14 EBITDA was R$ 1,015.4 million, 25.8% or R$ 208.5 million greater than the R$ 806.9 million reported for 3Q13. The Company's EBITDA margin was 58.5% in 3Q14, representing an increase of 1.5 p.p. in relation to the 57.0% recorded in the same period in 2013. These increases can be largely ascribed to a combination of the following key factors, already commented above: (i) an increase of R$ 173.2 million in net revenue from energy sales; (ii) the positive effect of R$ 146.6 million in transactions conducted across the short term market and including those conducted within the scope of the CCEE; (iii) recognition of reorganization of revenue flows from contracts in the CCEE due to claims for forced stoppages at the Jorge Lacerda Thermoelectric Complex of R$ 100.9 million; (iv) an increase of R$ 146.9 million in energy purchases for resale; (v) a growth of R$ 46.9 million in fuel consumption; (vi) a rise of costs of R$ 8.9 million in charges for use of the network; and (vii) an increase in personnel expenditure of R$ 7.9 million, of which R$ 5.4 million on personnel costs and the remainder embedded on the sales, general and administrative expenses.



(1) EBITDA represents: net income + income tax and social contribution + financial expenses, net + depreciation and amortization.

To allow the reconciliation of the net income with EBITDA, we show the following table:

(in thousand R$)	3Q14	3Q13	Chg. %	9M14	9M13	Chg. %
Net income	538,224	401,543	34.0	901,200	1,150,434	-21.7
(+) Income tax and social contribution	257,560	195,998	31.4	440,064	561,088	-21.6
(+) Financial expenses, net	74,486	61,943	20.2	227,915	252,261	-9.7
(+) Depreciation and Amortization	145,081	147,382	-1.6	441,806	433,558	1.9
EBITDA	**1,015,351**	**806,866**	**25.8**	**2,010,985**	**2,397,341**	**-16.1**

Financial Result

Financial income: In 3Q14, revenues from this source were R$ 34.9 million, R$ 43.6 million lower than the R$ 78.5 million reported for the same quarter in 2013. This was essentially due to the recognition in 3Q13 of a non-recurring gain of R$ 49.1 million due to the early liquidation at market value of debt due to the Brazilian National Treasury Department (STN).

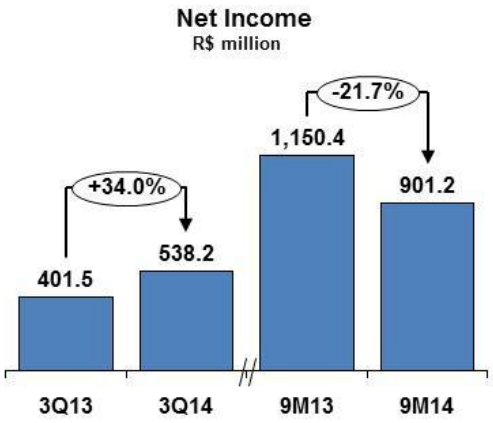
Financial expenses: These expenses reported a year-on-year decline of R$ 31.1 million from R$ 140.5 million in 3Q13 to R$ 109.4 million in 3Q14 principally due to the following factors: (i) a reduction of R$ 23.0 million interest and monetary restatement on concession charges payable, a combination of the interest rate increase in R$ 3.8 million and the reduction of monetary variation of R$ 26.8 million, motivated by the deflation of the IGPM in 3Q14; (ii) a decrease of R$ 10.9 million in the foreign exchange translation effect on currency denominated loans; and (iii) an increase of R$ 3.9 million in interest and monetary restatement on loans.

Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution overheads increased from R$ 196.0 million in the third quarter 2013 to R$ 257.6 million in 3Q14, an increase of R$ 61.6 million or 31.4%. This trend is consistent with the increase in pre-tax profits and taxable income.

Net Income

Net income in 3Q14 was R$ 538.2 million, representing a 34.0% or R$ 136.7 million increase over the R$ 401.5 million reported by the Company in the same quarter for 2013. This increase is largely due to the growth of R$ 208.5 million in EBITDA, as already commented, and partially offset by the increase in financial expenses of R$ 12.5 million and income tax and social contribution of R$ 61.6 million.



TRACTEBEL ENERGIA S.A.

CNPJ Nº 02.474.103/0001-19 I NIRE Nº 42 3 0002438-4

NOTES TO THE QUARTERLY FINANCIAL STATEMENT AS OF 9.30.2014

(In thousands of Reais or other currencies, unless otherwise indicated)

1 – OPERATIONS

Tractebel Energia S.A. ("Company", "Tractebel Energia" or "TBLE") is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the Municipality of Florianópolis, Santa Catarina State, Brazil. The core business and main operating activity of the Company and its subsidiaries is the generation and sale of electrical energy, regulated by the Brazilian Electricity Regulatory Agency (Aneel), which is linked to the Ministry of Mines and Energy (MME).

The shares of the Company are listed in the New Market segment of BM&FBOVESPA under the ticker TBLE3. Tractebel Energia also trades Level 1 American Depositary Receipts (ADR) in the U.S. Over-the-Counter market under the ticker TBLEY, in the proportion of one ADR for each common share.

The Company is controlled by GDF SUEZ Energy Latin America Participações Ltda. (GSELA), a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power S.A. is part of the economic group GDF SUEZ group, headquartered in France.

Tractebel Energia is the largest private company in electrical energy generation in Brazil, responsible for approximately 6.0%[1] of the country's installed capacity. On 9.30.2014, the Company's installed capacity, including its stakes in energy generation consortiums, and after the Cidade Azul Photovoltaic Plant started its commercial operation in the third quarter, is 7,027.2[2] MW. Out of this total, 79.1% arises from hydroelectric power plants, 15.9% from thermoelectric power plants and 5.0% from complementary energy - Small Hydroelectric Power Plants – SHPP, wind farms, biomass and solar power plants. On 9.30.2014, assured energy for sale averaged 3,882.8 MW.

The Company's generation facilities in operation consist of twenty-seven plants, of which nine hydroelectric power plants, five thermoelectric power plants[3], six wind farms, three Small Hydroelectric Power Plants, three biomass power plants and one solar photovoltaic power plant.

The main events related to the Company's activities in the 3rd quarter of 2014 were as follows:

[1] Information based on data as of 12.31.2013

[2] The non-financial information in these financial statements such as MW, average MW, installed capacity, among others, is not reviewed by the independent auditors.

[3] The Jorge Lacerda Thermoelectric Complex consists of three plants.

a) Commercial startup of the Cidade Azul Photovoltaic Plant

The Cidade Azul Photovoltaic Plant ("Solar power plant" or "SPP") started its commercial operations on 8.9.2014. The Solar Power Plant is located in the city of Tubarão in the state of Santa Catarina and has an installed capacity of 3 MWp (peak sun hours). SPP comprises 19,424 photovoltaic panels and the energy produced can supply power to 2,500 households.

b) Acquisition of development rights for the Santo Agostinho Wind Power Complex by TBLP

In August 2014, the Company acquired the rights to develop the Santo Agostinho Wind Power Complex ("Complex"), which comprises 24 special purpose entities (SPE), each responsible for the development of one wind power project, for total potential development of 600 MW, all located in the cities of Lajes and Pedro Avelino in the state of Rio Grande do Norte.

The maximum acquisition price is R$ 54,000, which consists of a fixed amount of R$ 39,000 and a performance-based amount of up to R$ 15,000, which will be paid if certain contractual terms are met. On the acquisition date, the Company paid R$ 3,027 as the advance envisaged in the agreement, restated as of that date.

c) Payment of additional dividends

On 9.24.2014, the Company paid additional dividends for fiscal year 2013, in the amount of R$ 461,788, corresponding to R$ 0.7074583705 per share.

2 – PRESENTATION OF FINANCIAL STATEMENTS

The quarterly information was prepared in compliance with the accounting practices adopted in Brazil (BRGAAP), as issued by the Accounting Pronouncements Committee, which are convergent with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

In August 2014, IASB issued a revision of the IAS 27 standard, allowing entities to adopt both the cost and equity methods to value their investments. Said revision should be applied retrospectively, in accordance with IAS 8, as from January 2016. Before said revision, the only difference from the international standards applicable to the Company was the valuation of investments using the equity method, which was not envisaged in the IFRS.

To eliminate said inconsistency between the Brazilian and international accounting practices, the Company is considering the early adoption of said standard, whose application will not result in any retrospective adjustments to its balance sheet and financial statements disclosed for the period ended 9.30.2014.

The quarterly information was also prepared in accordance with the standards of the Brazilian Securities and Exchange Commission (CVM) applicable to the elaboration of the Quarterly Information (ITR), using the historic cost as a base value, except for the fair value evaluation of certain financial instruments, when required by applicable standards.

The elaboration of quarterly information requires that the Management of the Company and its subsidiaries make estimates for the recording of certain transactions affecting their assets and liabilities, income and expenses.

The content and values of certain explanatory notes presented in the financial statements for the year ended on 12.31.2013, which did not require significant updates, have not been repeated in the notes selected for the quarterly information of 9.30.2014. Therefore, these financial statements should be read together.

The accounting practices and calculation methods adopted in the preparation of quarterly information of 9.30.2014, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended on 12.31.2013.

a) New standards, alterations or interpretations of IFRS issued by IASB

The following standards and interpretations were amended or issued by IASB over the course of 2014, but will take effect in future fiscal years.

Pronouncements possibly applicable to the Company as from 1.1.2016

- Revision of IFRS 11 – Accounting for acquisitions of interests in joint operations

The alteration requires the acquirer of an interest in a joint operation that constitutes a business, as defined in IFRS 3 – Business Combination, to apply the principles of IFRS 3, and other pronouncements, except those that are in conflict with IFRS 11. The Company will assess the effects of applying said revision to any acquisitions of joint operations.

- Revision of IAS 27 – Equity method in individual financial statements

The alteration allows an entity to prepare its individual financial statements considering the investments in subsidiaries, joint ventures and associates both using the cost method, in accordance with IFRS 9 - Financial Instruments, and the equity method, as described in IAS 28 – Investments in Associates and Joint Ventures. Considering that this procedure is already provided for in the accounting principles adopted in Brazil, the Company already values its investments through the equity method. As previously mentioned, the early adoption of this pronouncement eliminates the only divergence applicable to the Company between the Brazilian and international accounting standards.

Pronouncements possibly applicable to the Company as from 1.1.2017

- IFRS 15 – Revenues from contracts with customers

This pronouncement establishes the principles for an entity to recognize revenue upon transferring a product or service in an amount that reflects the entity's expected consideration to be received for the product delivered or service rendered. It also provides instructions for disclosing information to users about the nature, amount, timing and uncertainty of revenue and cash flows arising from sales. The Company is assessing the possible application of the standard to its transactions.

Pronouncements possibly applicable to the Company as from 1.1.2018

- IFRS 9 – Financial Instruments

The pronouncement aims to replace IAS 39 – Financial Instruments: Recognition and Measurement, and establishes the principles for the disclosure of financial assets and liabilities, as well as some purchase or sale agreements of non-financial items, with the purpose of providing useful and relevant information for the assessment of amounts, periods and uncertainties in the future cash flow of the entity. The Company is assessing possible effects from the application of said pronouncement.

The Company´s evaluation is that there are no other IFRS standards or IFRIC interpretations that have not yet taken effect that could have a significant impact on its financial statements.

During the nine-month period ended 9.30.2014, the following pronouncements were revised, which, according to the Company, will have no impact on its financial statements: (i) IAS 16 and IAS 41 – Property, Plant and Equipment, Biological Assets and Agriculture; (ii) IAS 16 and IAS 38 – Clarifications regarding the accepted methods of depreciation and amortization; and (iii) IFRS 10 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

Furthermore, in September 2014, the annual IASB revision was issued for the 2012-2014 cycle, revising the following standards: IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations, IFRS 7 – Financial Instruments: Disclosures, IAS 19 – Employee Benefits and IAS 34 – Interim Financial Reporting. The annual revision process is a vehicle used to make changes that are not urgent but are necessary for the pronouncements issued. Changes in these standards will not have an impact on the Company's financial statements.

b) EmpresasNet (ENET) System

It is worth noting that the table "Asset Balance Sheet" in the "EmpresasNet - ENET" System of the CVM shows in "Current Assets" the non-current assets held for sale in Note 8 – Non-current Assets Held for Sale, even though CPC 31 – Non-current Asset Held for Sale and Discontinued Operation requires its disclosure in a separate group from other Company assets. Furthermore, the table "Statement of Changes in Shareholders' Equity" of the "EmpresasNet - ENET" System, the Adjustment to fair value of property, plant and equipment mentioned in "Other Comprehensive Income", is presented in the column as such. This is because there is no more appropriate option in the standard CVM statement for the presentation of said transactions.

c) Law 12,973 of May 13, 2014

Law 12,973/14 alters the tax laws related to federal taxes and social contributions, revokes the Transitional Tax System (RTT), and includes other provisions. The provisions of said Law will take force mandatorily in calendar year 2015, with the possibility of early adoption from calendar year 2014.

Based on preliminary analyses of the possible effects from the application of the Law, the Management believes that there will be no increase in the tax burden compared to current laws and intends to make the option of early adoption in the fiscal year 2014.

d) Approval of quarterly information

The quarterly information previously mentioned was approved by the Board of Directors in a meeting held on 10.24.2014.

3 – CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Cash and bank deposits	**2,145**	**940**	**10,002**	**7,445**
Marketable securities:				
- Citibank - Exclusive investment fund				
Repurchase transactions with federal public bonds				
National Treasury Notes (NTN-B)	89,441	79,471	202,144	99,978
National Treasury Bill (LTN)	99,824	869,059	225,612	1,093,309
	189,265	**948,530**	**427,756**	**1,193,287**
- Financial Institutions[4]				
Certificates of Bank Deposit (CDB)	-	-	231	1,256
Repurchase agreements with debentures	-	-	12,151	22,288
	-	**-**	**12,382**	**23,544**
Total of marketable securities	**189,265**	**948,530**	**440,138**	**1,216,831**
	191,410	**949,470**	**450,140**	**1,224,276**

[4]Banks: Itaú Unibanco, Itaú BBA, Safra and Bradesco.

4 – TRADE ACCOUNTS RECEIVABLE

a) Breakdown

	Parent Company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Current				
Electrical energy distributors	257,029	245,616	378,060	372,589
Electrical energy traders	124,091	84,824	18,314	24,953
Free Consumers	22,768	20,957	263,844	248,655
Transactions in the short-term energy market				
Current	152,642	27,039	186,561	100,581
Extraordinary Tariff Recovery (RTE)	2,665	2,665	2,665	2,665
Agents with lawsuits or in default	122,961	122,961	122,961	122,961
	682,156	**504,062**	**972,405**	**872,404**
Allowance for doubtful accounts	(131,806)	(131,806)	(132,095)	(132,078)
	550,350	**372,256**	**840,310**	**740,326**
Non-current				
Eletrical energy traders	33,939	31,398	5,429	6,280
Allowance for doubtful accounts	-	-	(1,848)	(1,848)
	33,939	**31,398**	**3,581**	**4,432**
	584,289	**403,654**	**843,891**	**744,758**

b) Breakdown of accounts receivable by maturity

	Parent company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Overdue up to 30 days	2,973	9,913	22,268	23,337
Overdue from 31 to 60 days	810	-	894	-
Overdue from 61 to 90 days	586	-	842	15
Overdue more than 91 days				
- With provision accrued	131,806	131,806	133,943	133,926
- Without provision accrued	1,175	1,038	2,126	1,179
	132,981	**132,844**	**136,069**	**135,105**
	137,350	**142,757**	**160,073**	**158,457**

c) Allowance for doubtful accounts

Breakdown

	Parent company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Agents with lawsuits or in default	122,961	122,961	122,961	122,961
Trading companies	6,180	6,180	6,452	6,452
RTE	2,665	2,665	2,665	2,665
Distributor	-	-	1,865	1,848
	131,806	**131,806**	**133,943**	**133,926**

5 – FUEL REIMBURSABLE

	Parent company and Consolidated	
	9.30.2014	12.31.2013
Eletrobras	**224,786**	**139,601**

This item includes reimbursements receivable from Eletrobras for fuel purchased from third-parties for consumption by the Company's thermal power plants, using funds from the Energy Development Account (CDE) fund, whose aim, among other things, is to ensure competitiveness of the energy produced from domestic charcoal.

Reimbursements usually take place after the presentation of the proof of payments to suppliers. On 9.30.2014, of the amounts already paid to suppliers, the amounts related to July and August 2014 were still pending reimbursement. The amounts related to July were received in October.

6 – OTHER TAX CREDITS RECOVERABLE

	Parent company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Current				
Pis [5] and Cofins[6]	-	-	52,158	59,086
ICMS[7]	1,779	-	1,785	22
INSS [8]	654	722	654	722
	2,433	**722**	**54,597**	**59,830**
Non-current				
Pis and Cofins	29,354	8,832	76,924	81,972
ICMS	17,282	17,810	17,515	18,244
INSS	-	-	6	6
	46,636	**26,642**	**94,445**	**100,222**

Pis and Cofins tax credits to offset arise from the acquisition of machinery and equipment, and expenses with the construction of facilities for the installation of power generation projects.

[5]Social Integration Program
[6]Contribution for Social Security Funding
[7]Value-Added Tax on Sales and Communication and Transport Services
[8]National Social Security Institute

7 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Current				
Investment funds	11	10	47,312	10
Deposits for reinvestment	1,661	-	1,661	3,823
	1,672	**10**	**48,973**	**3,833**
Non-current				
Investment funds	33,815	31,617	135,339	120,065
CDB	5,706	5,467	10,816	10,792
	39,521	**37,084**	**146,155**	**130,857**

Restricted deposits invested in investment funds are mostly intended to guarantee debt service payments. In addition, in the quarter ended 9.30.2014, deposits of R$ 47,301 are recognized, which were used as collateral to cover certain contractual commitments undertaken by the sellers of the Ferrari thermal power plant. These deposits will be cleared once such commitments are fulfilled.

8 - NON-CURRENT ASSETS HELD FOR SALE

This item shows the assets received by the Company due to the favorable decision on a claim for enforcement filed against Elétrica Jacuí Ltda. (Eleja) to collect the amounts receivable from the sale of the Jacuí thermal power project, which were granted as collateral.

After taking possession of the assets, the Company's management started assessing which assets could be used in its plants and identifying potential buyers for the assets. Given the current stage of the asset divestment process, as from 9.30.2014, the Company started recording assets under "Non-current assets held for sale" and continued to record the book value of the asset, of R$ 86,886 as it is lower than the valuation submitted by the court-appointed valuation expert on assets to which the Company is entitled, in the amount of R$ 114,981. Given that the debt, including fines and charges, exceeds the value calculated by the expert, the Company requested seizure enforcement, which is currently awaiting the court decision.

Said non-current asset held for sale corresponds only to property, plant and equipment received by the Company, and no other assets, liabilities and results are related to said transaction.

Until 9.30.2014, the amounts receivable from Eleja, totaling R$ 86,886, were being recorded as "Amounts receivable from sale of asset," under non-current assets. This amount corresponded to the present value of all the amounts receivable from Eleja in July 2009, the month when Eleja suspended the payment of installments due and, consequently, the Company began the process of judicial execution of the sales agreement of the project. As from that month, the Company prudently ceased to recognize interest and monetary variation on receivables from this transaction.

9 - JUDICIAL DEPOSITS

a) Breakdown

	Parent company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Tax	95,968	92,724	96,531	93,485
Civil	10,627	8,259	11,666	8,817
Labor	5,047	4,228	5,165	4,552
	111,642	**105,211**	**113,362**	**106,854**

The amounts deposited are linked to lawsuits being conducted in administrative and in court levels. From the amount deposited on 9.30.2014, R$ 43,861 (R$ 38,703 on 12.31.2013) are directly related to probable risk provisions recorded under liabilities.

In July 2012, the Company obtained the approval on the request for the judicial deposits release related to the proceeding of Pis and Cofins on energy sales contracts at predetermined price within the scope of Normative Instruction 658/06 of the Internal Revenue Service of Brazil. However, in August 2012, the Federal Government claimed the suspension of the license issuance order to review contracts linked to court decision. The amount of such deposits on 9.30.2014 is R$ 48,888 in the parent company and consolidated (R$ 49,192 on 12.31.2013).

10 - INVESTMENTS

a) Breakdown

	Parent company	
	9.30.2014	12.31.2013
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	2,597,161	2,336,073
"Goodwill" (Concession right)	77,689	80,193
	2,674,850	**2,416,266**

b) Measured at the equity method

b.1) Changes in investments

	Balance at 12.31.2013	Capital increase	Equity in net income of subsidiaries	Dividends	Balance at 9.30.2014
Itasa[9]	**323,129**	-	2,848	(23,010)	**302,967**
CEE[10]	**1,002,589**	-	(8,963)	-	**993,626**
Lages[11]	**59,198**	-	5,601	(18,720)	**46,079**
TBLC[12]	**130,662**	-	137,713	(126,462)	**141,913**
TBLP[13]	**819,344**	222,710	69,371	-	**1,111,425**
Other	**1,151**	-	-	-	**1,151**
Total	**2,336,073**	**222,710**	**206,570**	**(168,192)**	**2,597,161**

b.2) Additional information

	Itasa	CEE	Lages	TBLC	TBLP
Interest (%)	**48.75%**	**99.99%**	**99.99%**	**99.99%**	**99.99%**
12.31.2013					
Total assets	703,192	2,656,884	77,553	492,426	1,501,358
Shareholders' equity	662,829	1,002,589	59,198	130,662	822,582
9.30.2014					
Total assets	654,780	2,558,508	55,881	484,686	1,837,274
Shareholders' equity	621,471	993,626	46,079	141,913	1,115,186
3rd quarter of 2014					
Net revenue	31,540	100,300	11,604	705,646	62,206
Net income (loss)	(1,317)	(17,933)	1,693	68,131	26,899
9 months 2014					
Net revenue	104,285	281,377	34,078	2,105,805	178,172
Net income (loss)	5,842	(8,963)	5,601	137,713	69,894

On 9.30.2014, the share of non-controlling shareholders in the subsidiary Ibitiúva Bioenergética S.A. and in the equity and net income of TBLP presented above is R$ 3,761 and R$ 523, respectively.

[9] Itá Energética S.A., joint operation
[10] Companhia Energética Estreito
[11] Lages Bioenergética Ltda.
[12] Tractebel Energia Comercializadora Ltda.
[13] Tractebel Energias Complementares Participações Ltda.

c) Acquisition of new projects

- Ferrari Termoelétrica S.A.

In February 2014, the subsidiary TBLP concluded the acquisition of the entire capital of Ferrari Termoelétrica S.A., for R$ 176,139, composed as follows:

(i) R$ 160,930 – amount paid on the closing date, of which R$ 46,073 was deposited into an escrow account to be released after the fulfillment of certain conditions precedent, namely: (a) R$ 34,000 - the implementation of improvements in the efficiency of the co-generation process, obtainment of environmental licenses, and revision of the plant's physical guarantee to 35.6 MW average; and (b) R$ 12,073 - technical revision of the turbo generator, conclusion of the adaptation work at the sub-stations, and others.

(ii) R$ 4,209 – paid in April 2014 relating to the price adjustment resulting from the variation in the working capital and net debt between the date of signing the agreement and the date of closing of the deal.

(iii) R$ 11,000 – amount that will be paid upon the seller's commitment to supply additional fuel in sufficient quantity and quality for UTE Ferrari to generate 35.6 MW average of electricity.

The deposit mentioned in item (i), in the amount of R$ 47,301, as mentioned in Note 7 – Restricted Deposits, added to the commitment mentioned in item (iii), totaling R$ 58,301, which is recorded as liabilities in Note 19 - Obligations from investment acquisitions.

Ferrari Termoelétrica S.A. is a specific purpose entity that holds all the assets of Central Geradora Termelétrica UTE Ferrari (UTE Ferrari), a sugarcane biomass-based power cogeneration plant in the city of Pirassununga, state of São Paulo, operating commercially since June 2009. UTE Ferrari has installed capacity of 65.5 average MW and commercial capacity of 23.2 average MW, of which 18.0 average MW were contracted in Electricity Auctions allocated to the Regulated Contracting Environment.

The Company is currently assessing the fair value of assets and liabilities acquired to make all the due allocations in the acquisition balance sheet in accordance with business combination rules.

In April 2014, the Company launched initiatives focused on the modernization and expansion of the UTE, in order to increase its commercial capacity to 35.6 MW average and installed capacity to 80.5 MW.

- Campo Largo Project

In June 2014, TBLP, a wholly-owned subsidiary of the Company, concluded the acquisition of CLWP Brasil II Participações Ltda. and CLWP Brasil III Participações Ltda. for R$ 22,042 and R$ 34,410, respectively, of which R$ 8,750 refers to installments conditioned on the expansion of installed capacity, restated by the variation in the IPCA inflation index and interest of 1.5% p.a.

The total acquisition amount substantially corresponds to the fair value of the basic environmental projects, the certification of power generation, wind measurements, environmental licenses and leasing agreements.

CLWP II owns five special purpose entities (SPE), totaling a development potential of 150 MW, whereas CLWP III owns 10 SPEs, totaling a potential of 300 MW.

The projects are currently undergoing internal evaluation and studies regarding their implementation.

d) "Goodwill" (Concession right) – Parent company

Changes

	CEE
Balance as at 12.31.2013	**80,193**
Amortization	(2,504)
Balance as at 9.30.2014	**77,689**

Amounts related to "Goodwill" (Concession right) paid in the acquisitions of the subsidiaries was defined with a basis on the present value of the cash flow projections obtained through economic and financial evaluations and resulted from the acquisition of the concession granted by Aneel for the use of public assets in the generation of electrical energy.

The asset is being amortized over the period of the concession contract, according to its defined useful life, since the economic benefits arising from the acquisitions of these investments will occur over the course of the concession period.

11 - PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent company			
		9.30.2014			12.31.2013
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.7	5,070,718	(2,568,789)	2,501,929	2,611,608
Buildings and improvements	3.0	1,496,300	(829,104)	667,196	696,891
Machinery and equipment	4.0	6,108,765	(3,923,840)	2,184,925	2,295,728
Furniture and fixtures	6.3	9,093	(4,339)	4,754	4,901
Vehicles	14.3	2,892	(1,583)	1,309	460
(-) Provision for impairment		(68,698)	-	(68,698)	(68,698)
(-) Special obligations		(12,947)	-	(12,947)	(13,087)
		12,606,123	**(7,327,655)**	**5,278,468**	**5,527,803**
In progress					
Reservoirs, dams and ducts		958	-	958	1,005
Buildings and improvements		8,624	-	8,624	6,411
Machinery and equipment		187,033	-	187,033	95,518
Advances to suppliers		64,728	-	64,728	77,452
Acquisitions to be apportioned		12,278	-	12,278	5,776
		273,621	**-**	**273,621**	**186,162**
		12,879,744	**(7,327,655)**	**5,552,089**	**5,713,965**

		Consolidated			
		9.30.2014			12.31.2013
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.0	7,109,254	(2,857,041)	4,252,213	4,413,281
Buildings and improvements	3.2	1,787,649	(902,391)	885,258	908,946
Machinery and equipment	4.0	8,515,489	(4,342,050)	4,173,439	4,151,181
Furniture and fixtures	6.3	9,875	(4,718)	5,157	5,324
Vehicles	14.3	4,225	(2,101)	2,124	1,119
(-) Provision for impairment		(72,837)	-	(72,837)	(72,837)
(-) Special obligations		(13,072)	-	(13,072)	(13,212)
		17,340,583	**(8,108,301)**	**9,232,282**	**9,393,802**
In progress					
Reservoirs, dams and ducts		1,658	-	1,658	7,935
Buildings and improvements		10,292	-	10,292	12,095
Machinery and equipment		192,423	-	192,423	131,781
Advances to suppliers		102,030	-	102,030	148,140
Acquisitions to be apportioned		16,634	-	16,634	14,474
		323,037	**-**	**323,037**	**314,425**
		17,663,620	**(8,108,301)**	**9,555,319**	**9,708,227**

b) Changes in property, plant and equipment

	Parent Company							
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Impairment	Special obligations	Total
Balance at 12.31.2013	**2,611,608**	**696,891**	**2,295,728**	**5,361**	**186,162**	**(68,698)**	**(13,087)**	**5,713,965**
Additions	-	-	-	-	124,810	-	140	124,950
Capitalized interest	-	-	-	-	216	-	-	216
Transfers	(6,629)	1,306	41,041	1,849	(37,567)	-	-	-
Write-offs	-	(78)	(514)	(63)	-	-	-	(655)
Depreciation	(103,050)	(30,923)	(151,330)	(1,084)	-	-	-	(286,387)
Balance at 9.30.2014	**2,501,929**	**667,196**	**2,184,925**	**6,063**	**273,621**	**(68,698)**	**(12,947)**	**5,552,089**

	Consolidated							
	Reservoirs dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Impairment	Special obligations	Total
Balance at 12.31.2013	**4,413,281**	**908,946**	**4,151,181**	**6,443**	**314,425**	**(72,837)**	**(13,212)**	**9,708,227**
Additions	-	-	-	-	192,322	-	140	192,462
Ferrari Acquisition	-	7,463	60,422	137	13,251	-	-	81,273
Capitalized Interest	-	-	-	-	1,246	-	-	1,246
Transfers	303	8,368	187,551	1,985	(198,207)	-	-	-
Write-offs	-	(78)	(608)	(62)	-	-	-	(748)
Depreciation	(161,371)	(39,441)	(225,107)	(1,222)	-	-	-	(427,141)
Balance at 9.30.2014	**4,252,213**	**885,258**	**4,173,439**	**7,281**	**323,037**	**(72,837)**	**(13,072)**	**9,555,319**

c) Depreciation of assets comprising the Power Plants' Original Project

The Company, solely based on Law 8,987/95 and Decree 2,003/96, considers that there is no guarantee of restitution of the residual value of the Original Project by the Granting Power at the end of the concession and authorization terms of the hydroelectric arrangements.

Therefore, the Company has been depreciating said assets at the rates determined by Aneel, limited to the concession or authorization term, even though the agreements and the law provide the possibility of renewing the concessions and authorizations granted.

Also, according to the interpretation of said law, additional investments made to ensure the continuity of the service provided and that they remain up-to-date, will be indemnified by the government at the end of the period of concessions and authorizations. Thus, these assets are being depreciated according to the depreciations rates established by Aneel.

d) Impairment of assets

The Company periodically evaluates the property, plant and equipment aiming to identify evidence of impairment, or when events or significant changes can indicate eventual impairment of their book value. If the book value exceeds the recoverable value, this loss is recognized in the income statement. Other than the amounts recognized in 2013, there is no evidence identified that indicate impairment in the other assets of the Company.

12 – INTANGIBLE ASSETS

a) Breakdown

		Parent company			
		9.30.2014			12.31.2013
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Right to use	Until 2034	36,590	(26,214)	**10,376**	**10,920**

		Consolidated			
		9.30.2014			12.31.2013
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Surplus in the Ferrari acquisition	-	135,524	-	135,524	-
Right to use	Until 2037	44,952	(27,942)	17,010	16,907
Electrical energy purchase right	Until 2023	64,561	(10,527)	54,034	58,546
Operation license conditions	Until 2014	22,244	(21,088)	1,156	6,889
Rights of Trairi Project	Until 2041	12,668	(413)	12,255	12,668
Rights of Campo Largo Project	-	77,182	-	77,182	21,670
Rights of Santa Mônica Project	-	6,565	-	6,565	6,565
Development expenses	-	9,746	-	9,746	3,107
		373,442	**(59,970)**	**313,472**	**126,352**

- Surplus in the Ferrari acquisition

The Company is currently assessing the fair value of assets acquired and liabilities assumed to proceed the due allocations in the balance sheet of the surplus paid upon the acquisition of Ferrari. More details are available in Note 10 – Investments.

- Rights of Campo Largo Project

In June 2014, the Company registered the rights over the Campo Largo wind power generation project, acquired through a business combination. These rights correspond to the fair value of the basic environmental projects, the certification of power generation, wind measurements, environmental licenses and leasing agreements. Amortization of these rights will start as soon as the wind power projects start operating commercially and will be limited to the term of authorization of the respective plants. Further details about the acquisition are available in Note 10 – Investments.

b) Changes

	Parent company	Consolidated
Balance at 12.31.2013	**10,920**	**126,352**
Surplus in the Ferrari acquisition	-	135,524
Acquisition of projects	-	55,511
Other additions	2,812	10,750
Amortization	(3,356)	(14,665)
Balance at 9.30.2014	**10,376**	**313,472**

13 - SUPPLIERS

	Parent company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Electricity purchased for resale	35,878	9,017	127,581	81,425
Transactions in the short-term market	-	111,097	391	216,851
Charges for the use of and connection to the power grid	33,820	29,484	40,961	36,032
Materials and services	49,130	30,827	64,705	43,787
Fossil fuels and biomass	133,351	84,630	134,866	86,366
Suppliers of property, plant and equipment and intangible assets	8,728	16,656	22,056	45,885
	260,907	**281,711**	**390,560**	**510,346**

The variation in the item "Transactions in the short-term market" results from the fact that the Company was exposed to CCEE at the end of 2013 and was a creditor in the third quarter of 2014.

14 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	9.30.2014			12.31.2013		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
Bank of America Merrill Lynch	-	-	-	286,667	-	286,667
Nordic Investment Bank	-	157,144	157,144	-	149,990	149,990
BNDES	16,003	129,360	145,363	16,003	141,363	157,366
Banks (BNDES onlending)	33,276	276,529	309,805	32,317	298,811	331,128
Financial charges	2,510	-	2,510	7,635	-	7,635
	51,789	**563,033**	**614,822**	**342,622**	**590,164**	**932,786**
Foreign currency without hedge						
BNP Paribas (Floating Rate Note)	-	123,816	123,816	-	129,060	129,060
Financial charges	3,355	-	3,355	367	-	367
	3,355	**123,816**	**127,171**	**367**	**129,060**	**129,427**
Measured at fair value						
Foreign currency with hedge						
HSBC USA	219,725	244,263	463,988	-	210,329	210,329
Financial charges	586	-	586	350	-	350
	220,311	**244,263**	**464,574**	**350**	**210,329**	**210,679**
Total loans and financing	**275,455**	**931,112**	**1,206,567**	**343,339**	**929,553**	**1,272,892**
Hedge (swap) – long position:						
Measured at fair value						
HSBC Brasil – *swap*[14]	10,101	12,244	22,345	-	1,115	1,115
	10,101	**12,244**	**22,345**	**-**	**1,115**	**1,115**
Loans and financing, net of hedge	**265,354**	**918,868**	**1,184,222**	**343,339**	**928,438**	**1,271,777**

[14] Recorded under "Other current assets" and "Other non-current assets"

	Consolidated					
	9.30.2014			12.31.2013		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
Bank of America Merrill Lynch	-	-	-	286,667	-	286,667
Nordic Investment Bank	-	157,144	157,144	-	149,990	149,990
BNDES	124,331	1,432,967	1,557,298	119,369	1,498,097	1,617,466
Banks (BNDES onlending)	71,169	791,861	863,030	68,392	830,932	899,324
Banco do Brasil	3,966	8,262	12,228	3,966	11,237	15,203
Financial charges	8,414	-	8,414	13,732	-	13,732
	207,880	**2,390,234**	**2,598,114**	**492,126**	**2,490,256**	**2,982,382**
Foreign currency without hedge						
BNP Paribas (Floating Rate Note)	-	123,816	123,816	-	129,060	129,060
Financial charges	3,355	-	3,355	367	-	367
	3,355	**123,816**	**127,171**	**367**	**129,060**	**129,427**
Measured at fair value						
Foreign currency with hedge						
HSBC USA	219,725	244,263	463,988	-	210,329	210,329
Financial charges	586	-	586	350	-	350
	220,311	**244,263**	**464,574**	**350**	**210,329**	**210,679**
Total loans and financing	**431,546**	**2,758,313**	**3,189,859**	**492,843**	**2,829,645**	**3,322,488**
Hedge (swap) – long position:						
Measured at fair value						
HSBC Brasil – swap	10,101	12,244	22,345	-	1,115	1,115
	10,101	**12,244**	**22,345**	**-**	**1,115**	**1,115**
Loans and financing, net of hedge	**421,445**	**2,746,069**	**3,167,514**	**492,843**	**2,828,530**	**3,321,373**

b) Changes in loans and financings

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2013	**343,339**	**928,438**	**1,271,777**	**492,843**	**2,828,530**	**3,321,373**
Additions	-	233,854	233,854	-	234,415	234,415
Ferrari acquisition	-	-	-	6,152	38,354	44,506
Interest expense	71,567	-	71,567	179,976	-	179,976
Capitalized interest	216	-	216	1,246	-	1,246
Monetary variation	51	6,993	7,044	51	6,993	7,044
Exchange variation	(22)	(5,244)	(5,266)	(22)	(5,244)	(5,266)
Adjustment to fair value	(18)	26	8	(18)	26	8
Transfers	245,199	(245,199)	-	357,005	(357,005)	-
Amortization of principal	(322,907)	-	(322,907)	(434,214)	-	(434,214)
Amortization of interest	(72,071)	-	(72,071)	(181,574)	-	(181,574)
Balance at 9.30.2014	**265,354**	**918,868**	**1,184,222**	**421,445**	**2,746,069**	**3,167,514**

c) Main transactions in the first nine months of 2014

- Contracting of loan from HSBC Bank USA

In March 2014, the Company contracted a loan from HSBC Bank USA in the amount of up to US$ 100,000 (equivalent to R$ 230,940). The main conditions of the loan were the following:

- Interest: 1.429411% p.a., fixed;
- Maturity of principal: Single installment at the end of the agreement on 3.10.2016;
- Amortization of interest: quarterly, starting on 6.10.2014 and ending on 3.10.2016.

The Company contracted a swap operation from the Brazilian subsidiary of the same financial institution that granted the loan, in the amount of R$ 230,940, through which it will keep a long position corresponding to the variation of the U.S. dollar plus interest of 1.429411% p.a. and a short position equivalent to 97% of the Interbank Deposit Certificate Rate (CDI). The maturity of the principal and the interest payments related to the loan and to the swap will occur exactly on the same dates.

- Acquisition of Ferrari Termoelétrica S.A.

As mentioned in Note 10 – Investments, in February 2014 the subsidiary TBLP acquired the entire capital stock of Ferrari Termoelétrica. The Direct financing with BNDES and the BNDES onlending through Itaú BBA, whose balance on the acquisition date was R$ 44,506, have the following characteristics:

- Maturity: June 2021;
- Amortization of principal and payment of interest: monthly;
- Interest: TJLP + 1.91% p.a. for the Direct modality and TJLP + 3.40% p.a. for the Onlending modality.

- BNDES Loan

In September 2014, the Company signed an agreement with BNDES in the amount of R$ 318,064 to fund the modernization of the Salto Santiago UHE, the Passo Fundo UHE and the Jorge Lacerda A UTE (units 1 and 2). The release of funds is conditioned on compliance with certain conditions established in the agreement. Of the total to be funded, R$ 273,414 will carry interest equivalent to TJLP + 2.26% and monthly amortizations from August 2016 to July 2020; R$ 42,850 will pay fixed interest of 6% p.a. and monthly amortizations between August 2016 and July 2024; and R$ 1,800 will carry interest corresponding to TJLP and monthly amortizations from August 2016 to July 2020.

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

	Parent Company				Consolidated			
		Foreign currency				Foreign currency		
	Local currency	Without hedge	With hedge	Total	Local currency	Without hedge	With hedge	Total
October to December 2015	17,915	123,816	-	141,731	55,591	123,816	-	179,407
2016	72,017	-	232,019	304,036	223,268	-	232,019	455,287
2017	72,025	-	-	72,025	223,543	-	-	223,543
2018	72,025	-	-	72,025	218,707	-	-	218,707
2019	72,025	-	-	72,025	217,255	-	-	217,255
2020 to 2024	257,026	-	-	257,026	923,067	-	-	923,067
2025 to 2029	-	-	-	-	528,803	-	-	528,803
Loans and financing, net of hedge	**563,033**	**123,816**	**232,019**	**918,868**	**2,390,234**	**123,816**	**232,019**	**2,746,069**

e) Main contracted conditions

		Payment Conditions		
Company/Bank	**Interest**	**Maturity**	**Principal and interest**	**Balance at 9.30.2014**
Local currency				
Parent company				
Nordic Investment Bank	IPCA + 3.55% p.a.	10.2022	Principal: quarterly, as from 10.2015 Interest: quarterly	158,159
BNDES	TJLP + 2.7% p.a. [a]	10.2023	Monthly	145,813
Banks (BNDES onlending) [b]	TJLP + 3.25% p.a. [a]	10.2023	Monthly	294,519
Banks (Finame onlending) [b]	2.5% p.a. and 3.5% p.a.	1.2024	Principal: monthly Interest: monthly and quarterly	16,331
Subsidiaries:				
CEE				
BNDES	TJLP + 1.89% p.a. [a]	9.2029	Monthly	799,060
BNDES – Social Credit [e]	TJLP	6.2018	Monthly	19,046
Banks (BNDES onlending) [b]	TJLP + 2.95% p.a. [a]	9.2029	Monthly	542,540
Hidropower (Banco do Brasil)	8.08% p.a. [a]	10.2017	Monthly	12,315
Beberibe (BNDES)	TJLP + 3.5% p.a. [a]	12.2023	Monthly	81,381
Pedra do Sal (BNDES)	TJLP + 1.92% p.a. [a]	12.2023	Monthly	54,918
Areia Branca (BNDES)	TJLP + 2.5% p.a. [a]	6.2024	Monthly	46,300
Ibitiúva				
BNDES (Subcredit A and C)	TJLP + 2.05% p.a. [a]	1.2021	Monthly	22,660
BNDES (Subcredit B) [d]	4.5% p.a.	1.2020	Monthly	22,540
Trairí Wind Farm (BNDES) [f]	TJLP + 2.51% [a]	7.2029	Monthly	341,533
Ferrari				
BNDES	TJLP + 1.91% p.a. [a]	6.2021	Monthly	28,543
Banks (BNDES onlending) [b]	TJLP + 3.40% p.a. [a]	6.2021	Monthly	12,456
Foreign currency				
BNP Paribas (Floating Rate Note)	*Euribor* + 2.75%p.a.	11.2015	Annual	127,171
HSBC USA I [g]	1.3882% p.a.	8.2015	Principal: 8.2015 Interest: quarterly	210,015
HSBC USA II [h]	1.429411% p.a.	3.2016	Principal: 3.2016 Interest: quarterly	232,214

[a] The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the financing's principal.

[b] The Banks are the following: Itaú Unibanco, Itaú BBA, Bradesco, Santander and Votorantim.

[c] Fixed rate includes a bonus of 15% for payments made up to the maturity date.

[d] Loan for financing Ibitiúva power plant machinery and equipment.

[e] Loan for financing social and environmental projects of the Estreito project.

[f] For financing the Trairi Wind Farm includes the following companies: Trairí, Mundaú, Guajiru and Fleixeiras I.

[g] The loan is fully protected from the variation of the U.S. dollar through an exchange rate swap in which the company holds a short position at a rate equivalent to 99.9% of the Interbank Deposit Certificate Rate (CDI).

[h] The loan is fully protected from the variation of the U.S. dollar through an exchange rate swap in which the company holds a short position at a rate equivalent to 97.0% of the Interbank Deposit Certificate Rate (CDI).

f) Contractual financial commitments (covenants)

The financial commitments established in the loan and financing agreements are being fully fulfilled by the Company.

15 - DEBENTURES

a) Breakdown

	Parent company and Consolidated
	12.31.2013
Current	
2nd Issuance - single series	166,706
Interests	7,366
	174,072

b) Changes in debentures

	Parent Company and Consolidated
Balance at 12.31.2013	**174,072**
Interest expenses	4,421
Monetary variations	6,101
Amortization of principal	(172,518)
Amortization of interest	(12,076)
Balance at 9.30.2014	**-**

The third and final tranche of the debentures was paid in May 2014 in the amount of R$ 184,594, of which R$ 172,518 was related to the amortization of principal and R$ 12,076 related to the payment of interest.

16 - CONCESSIONS PAYABLE

	Parent company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Cana Brava hydroelectric power plant	641,719	587,992	641,719	587,992
Ponte de Pedra hydroelectric power plant	566,678	524,297	566,678	524,297
São Salvador hydroelectric power plant	456,235	439,539	456,235	439,539
Estreito hydroelectric power plant	-	-	45,007	43,341
	1,664,632	**1,551,828**	**1,709,639**	**1,595,169**
Classification in the balance sheet				
Current liabilities	50,047	47,397	54,657	51,763
Non-current liabilities	1,614,585	1,504,431	1,654,982	1,543,406
	1,664,632	**1,551,828**	**1,709,639**	**1,595,169**

The Company has onerous concession agreements with the Federal Government to Use the Public Asset (UBP) to generate electrical energy in the following power plants: Cana Brava, Ponte de Pedra, São Salvador and Estreito. The features of the businesses and the agreements show the condition and the intention of the parties to execute them in full.

Considering that contractual amounts are stated at future prices, the Company adjusted them to present value based on reference discount rates on the date the obligation assumed, namely: Cana Brava plant, São Salvador and Estreito of 10% p.a. and 8.28% p.a. to Ponte de Pedra.

During the construction of the power plants, the adjustment of liabilities based on the discount rate and monetary variation was capitalized in property, plant and equipment and, as of the start-up date, recognized directly in the statement of income.

a) Changes

	Parent company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2013	**47,397**	**1,504,431**	**1,551,828**	**51,763**	**1,543,406**	**1,595,169**
Interest expenses	-	109,486	109,486	-	112,673	112,673
Monetary variations	-	40,393	40,393	-	42,418	42,418
Transfers	39,725	(39,725)	-	43,515	(43,515)	-
Amortizations	(37,075)	-	(37,075)	(40,621)	-	(40,621)
Balance at 9.30.2014	**50,047**	**1,614,585**	**1,664,632**	**54,657**	**1,654,982**	**1,709,639**

b) Maturities of concessions payable disclosed in non-current liabilities

	Parent company	Consolidated
October to December 2015	11,760	12,841
2016	44,340	48,412
2017	40,316	44,018
2018	36,659	40,024
2019	41,989	45,049
2020 to 2024	503,642	515,233
2025 to 2029	595,904	603,100
2030 to 2034	324,581	329,049
2035 to 2038	15,394	17,256
	1,614,585	**1,654,982**

17 – INCOME AND SOCIAL CONTRIBUTION TAXES PAYABLE

	Parent company		Consolidated	
	9.30.2014	**12.31.2013**	**9.30.2014**	**12.31.2013**
Income tax	186,510	334,442	203,253	336,524
Social Contribution	60,108	103,412	64,673	104,553
	246,618	**437,854**	**267,926**	**441,077**
(-) Federal taxes recoverable	(19,700)	(6,267)	(20,135)	(6,911)
	226,918	**431,587**	**247,791**	**434,166**

Current tax obligations are presented net of assets when said taxes correspond to the same tax entities and the Company's management intends to settle them at net value.

18 – OTHER TAX AND REGULATORY OBLIGATIONS

	Parent Company		Consolidated	
	9.30.2014	12.31.2013	9.30.2014	12.31.2013
Federal				
Pis and Cofins	33,565	11,765	38,079	12,581
INSS	4,036	3,184	4,624	3,955
Other	1,262	1,807	1,263	1,850
	38,863	**16,756**	**43,966**	**18,386**
(-) Federal taxes recoverable	(4,036)	(5,077)	(4,117)	(5,390)
	34,827	**11,679**	**39,849**	**12,996**
State				
ICMS payable	3,184	3,655	19,314	16,256
(-) State taxes recoverable	(2,343)	(1,988)	(2,386)	(1,989)
	841	**1,667**	**16,928**	**14,267**
Municipal				
ISSQN[15]	839	654	1,127	1,701
Regulatory obligations				
Financial compensation for use of water resources	27,246	28,896	30,835	32,894
Inspection fee	866	903	1,128	1,069
	28,112	**29,799**	**31,963**	**33,963**
	64,619	**43,799**	**89,867**	**62,927**

Current tax obligations are presented net of assets when said taxes correspond to the same tax entities and the Company's management intends to settle them at net value.

[15] Service Tax

19 - OBLIGATIONS FROM INVESTMENT ACQUISITIONS

	Consolidated	
	9.30.2014	12.31.2013
Ferrari Termoelétrica	58,301	-
Santa Mônica Project	4,074	3,895
Campo Largo Project	9,246	12,524
	71,621	**16,419**
Classification in the balance sheet		
Current liabilities	70,829	3,573
Non-current liabilities	792	12,846
	71,621	**16,419**

Obligations related to the acquisition of investments with settlement depending on compliance with prior conditions are classified under this item. Further details on the acquisition of Ferrari Termoelétrica S.A. are available in Note 10 – Investments.

20 – TAX, CIVIL AND LABOR PROVISIONS

Tax, civil and labor-related suits and claims which, according to the Company's legal counsel and management, that have probable risks of future disbursement, are provisioned in amounts considered sufficient to settle the respective liabilities.

a) Breakdown

	Parent company		Consolidated	
Probable risks:	**9.30.2014**	**12.31.2013**	**9.30.2014**	**12.31.2013**
Tax				
INSS	17,712	16,904	17,712	16,904
Other	1,728	3,901	2,389	4,491
	19,440	**20,805**	**20,101**	**21,395**
Civil				
Charges for the use of the transmission system	90,494	79,745	90,494	79,745
Contracts with suppliers	27,527	26,661	27,527	26,661
Benefits retirement	13,095	12,072	13,095	12,072
Environmental	10,688	9,117	10,688	9,117
Occupational disease and labor accident	2,527	2,352	2,527	2,352
Expropriations	23,041	20,991	23,041	20,991
Sundry lawsuits	10,515	10,570	13,160	12,725
	177,887	**161,508**	**180,532**	**163,663**
Labor	**10,816**	**9,646**	**11,269**	**9,914**
Total	**208,143**	**191,959**	**211,902**	**194,972**
Classification in the balance sheet				
Current liabilities	16,076	14,305	16,907	15,136
Non-current liabilities	192,067	177,654	194,995	179,836
	208,143	**191,959**	**211,902**	**194,972**

More recent information about the provisions assessed as probable:

a.1) Tax risks

Social Security Charges (INSS)

It largely refers to a Tax Debt Assessment Notice (NFLD) received for non-payment of additional contribution to the Occupational Accident Insurance (SAT) for the period between April 1999 and March 2004, due to the supposed absence of proof of the risk factor related to the work environment. The Company's argument is that there is no legal backing to said notice for the period mentioned and that the additional contribution can be levied only for the employee that had the right to special retirement, which was not the case in the referred period.

The Company awaits the judgment on its appeal in the suit. The amount provisioned on 9.30.2014 is R$ 15,439 (R$ 14,801 on 12.31.2013) in the parent company and consolidated.

a.2) Civil risks

- Transmission System Usage Tariff (TUST)

The objective of the lawsuit is to adjust the Transmission System Usage Tariff paid by the Ponte de Pedra Hydroelectric Power Plant up to the amount charged from another power plant with similar features. The Company provisions the difference between the amount charged, the amount it believes due, and contracts a bank letter of guarantee for the disputed amount. The sentence was given in the third quarter of 2013, holding the lawsuit partially valid for the Company, although Aneel and certain agents have filed for appeal in the Court of Justice.

- Contracts with suppliers – Companhia de Interconexão Energética (Cien)

Refers to the ordinary action for indemnity filed by Cien to obtain the right to receive the difference related to the application of a foreign exchange adjustment foreseen in the energy sale agreement, and its termination due to a supposed breach of a contractual clause.

In November 2012, the court held the suit filed by Cien invalid. Cien opposed this decision through a motion for resettlement, which was not admitted, and filed an appeal with the Court of Appeals of Santa Catarina (TJSC), where it currently awaits the appointment of the judge-rapporteur. The amount relating to this case on 9.30.2014 is R$ 25,419 (R$ 23,665 on 12.31.2013) in the parent company and consolidated.

b) Possible and remote risks

The Company is also a party to other lawsuits that, in the opinion of the legal advisors and Company's Management, do not represent a probable risk of future disbursement. The amounts related to those lawsuits, mentioned below, are not provisioned, and are only mentioned in the Notes.

	Parent company					
	9.30.2014			12.31.2013		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	230,841	117,761	348,602	227,760	271,796	499,556
Civil	17,816	798	18,614	16,409	455	16,864
Labor	5,691	26,170	31,861	8,098	23,932	32,030
	254,348	**144,729**	**399,077**	**252,267**	**296,183**	**548,450**

	Consolidated					
	9.30.2014			12.31.2013		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	296,441	128,619	425,060	290,421	285,120	575,541
Civil	41,420	1,872	43,292	42,550	607	43,157
Labor	7,077	26,170	33,247	10,103	23,932	34,035
	344,938	**156,661**	**501,599**	**343,074**	**309,659**	**652,733**

b.1) Possible tax risks

The main tax-related risks evaluated by the Company and its legal counsel as having a possible risk are the following:

- Voluntary confession

The Brazilian National Tax Code (CTN) contains a mechanism that allows the payment of overdue taxes without the application of a late payment penalty, through "voluntary confession", since it is made before any administrative procedure or inspection measure. It so happens that the Internal Revenue Service of Brazil (RFB) has not been accepting payments after the deadline without the corresponding late payment penalty.

To guarantee its entitlement in this situation, the Company submits administrative, and when necessary, legal challenges. On 5.18.2012, RFB notified the Company of a Final Court Decision rendered by the Administrative Council of Tax Appeals (CARF), conferring a favorable decision for the Company, by unanimous vote.

The litigation involved the amount of R$ 495. Although the amount is not significant, the decision is important as a new administrative precedent, which could waive the Judiciary's quest for assurance of the Company's legal entitlement in the new proceedings.

The amount of the notices restated on 9.30.2014 is R$ 60,302 (R$ 57,927 on 12.31.2013) in the parent company and consolidated.

- Value-Added Tax on Operations of Sale, Interstate and Intercity Transport Services and Communication Services (ICMS)

The Company and its subsidiary TBLC were notified by the São Paulo State Revenue Office, claiming that the invoices of electrical energy sold to free consumers are issued in the month following the taxable event. The tax authority understands that this practice postpones for one month the collection of the tax due to the state.

The measurement of the electrical energy used by the client is carried out by the distribution company to which the client is connected. After, the distribution company then sends this information to the CCEE, an entity responsible for adjusting said measurements, allowing for the recording of the electrical energy sold by the agent

The measurement is completed by the eighth day of the month following the supply, so only after the consumption measured by the distributor is made available, the consumed energy can be billed to the client.

Regarding the two proceedings related to subsidiary TBLC, an appeal was filed with the Court of Taxes and Fees (CTR) of the State of São Paulo, which reduced the amount and fine in one of the notices, and maintained the amounts originally attributed to the other.

After this decision, TBLC filed a request for rectification and acceptance of Special Appeal for the two proceedings. The permission was denied for both proceedings and the Appeal rejected. With the regard to the proceedings whose appeal in the administrative sphere was not accepted, TBLC filed a lawsuit, posting a bank-issued undertaking in both cases. In one of the proceedings, the Company obtained preliminary injunction, and the other is pending judgment.

There are two lawsuits against Tractebel Energia, and in one of them the amount and fine were reduced, but the State of São Paulo Finance Department appealed against the reduction. In view of this situation, the Company filed a request to rectify the court decision and a special appeal to obtain a fully favorable decision on the canceling of enrollments described in the notice, which was denied on 4.9.2014, thereby ending the claim at the administrative sphere. The lawsuit will return to the original entity, which will make the necessary adjustments and the Company awaits a new notice for payment or be declared as Active Debt for a possible future lawsuit.

Despite the partial success of the Company's defenses, the Company's management and legal advisors understand that the total amounts are subject to appraisal mistakes and legal grounds, where the chance of success for these disputes is higher than the risk of losses.

The aforementioned assessment notices are being contested by the Company and its lawyers. The updated amount of the proceedings on 9.30.2014 is R$ 17,152 (R$ 16,389 on 12.31.2013), in the parent company, and R$ 66,554 (R$ 63,230 on 12.31.2013) in the consolidated.

Even if the tax assessment notices are partially upheld, the Company's management and legal counsel understand that the contingent amount would be less than 10% of that charged by the tax authorities, who adopted calculation criteria not supported by law, and therefore the aforementioned amount would be substantially reduced.

- Compensation of negative basis in the succession and waiver of fines in voluntary confession

In June 2008, the Company obtained a favorable decision of the Judgment Office of Florianópolis, Santa Catarina State, regarding the tax assessment notice issued by the Brazilian Federal Revenue Service, due to the use of the negative taxable basis of social contribution in the calendar year 2003, originated from a merger. In the notice, tax authorities demanded the payment of taxes settled in arrears by the Company, with no fine levied, by compensating existing tax credit payment as provided for in the charter of voluntary confession set forth in Article 138 of the National Tax Code (CTN).

Amounts related to the negative taxable basis of social contribution derive from the merger of a company held on 4.29.1998, which were used after the amendment to the tax legislation introduced by the Provisional Measure issued in 2001, prohibiting the use of negative taxable basis from mergers, combinations 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 the negative taxable basis of social contribution from the former company, the Company understands that the new rule does not apply to the merger brought in effect. The amounts were added to its equity, as successor company, ensuring the right to use said amounts. Such arguments were accepted by the Florianópolis Judgment Office.

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

The lawsuit is pending decision of the Administrative Council of Tax Appeals (CARF), issued by the Brazilian Federal Revenue Service, and with voluntary appeal from the Company exclusively focusing on the non-levy of the delinquency charge. The updated amount of this notice on 9.30.2014 is R$ 31,762 (R$ 30,736 on 12.31.2013) in the parent company and consolidated.

- Recovery of Pis and Cofins taxes – CCC/CDE

In 1998, Law 9,718/98 was published, extending the Pis and Cofins calculation basis that, so far, only levied on the companies' gross revenues.

The Company challenged in court the constitutionality of said Law, obtaining a favorable decision on 9.1.2006, which enabled its settling the contributions, calculated on several revenues resulting from the gross revenues for the period assessed from February of 1999 to November of 2002, for Pis, and February of 1999 to January of 2004, for Cofins.

The main amount included in the calculation base of Pis and Cofins, which is the subject of the dispute, regards the accounting caption named Fuel Consumption Account (CCC), which aims to register the consumption of fossil fuel acquired with funds from the Fuel Consumption Account (CCC) (CCC Subsidy).

Fossil fuels used for thermal energy generation are acquired with funds from the CCC, managed by Eletrobras, and therefore do not represent any burden for the generation companies.

The system of accounting set forth in the Electricity Sector Accounting Manual established that the consumption of said fuels should be recognized as operating cost with offset in revenue from the CCC Subsidy.

After determining that the accounting method was inadequate, since the fuel did not represent burden for the generation companies and therefore should not be recognized as cost, and, concomitantly, as revenue, Aneel amended the Accounting Manual so that, as from fiscal year 2006, it would reflect the offset in a rectifying account of operating costs and no longer as revenue. This change is strongly grounded on the Technical Notes issued by Aneel.

As a result of the recognition, by Aneel, that the accounting procedure adopted until then was inadequate and, consequently, the calculation base of Pis and Cofins taxes contained amounts

that did not have the characteristics of revenue, the Company offset, through the Request for Activation of Credits Recognized by the Final and Unappealable Court Decision, the amounts overpaid during 2004 and 2005.

In 2009, the Brazilian Federal Revenue Service (RFB) notified the Company to collect the amount of R$ 135,982 referred to the period from February of 1999 to January of 2004, interest and fines already included, pleading that the CCC Subsidy represents a billing and, thus must be included in the calculation basis of Pis and Cofins for the mentioned period, and therefore the offset was inappropriate. The Company submitted its Appeal on 3.31.2009. The contingency was being assessed as having remote risk of loss until its final and unappealable judgment, as described next.

On 6.23.2014, RFB informed the parties of the appellate decision published on 4.30.2014 by the Office of the Federal Revenue Service of Brazil in Florianópolis (DRJ), which upheld the Appeal filed by the Company, recognizing the receivables discussed in the records and fully ratifying the compensations, which resulted in the complete extinction of the debts and dismissal of the claim. In view of the decision, the records that had been stated as having remote risk of loss, whose amount restated through 6.23.2014 was R$ 160,330 (R$ 157,891 on 12.31.2013) in the parent company and consolidated, are no longer presented in the notes to the financial statements.

In relation to the period from February 2004 to December 2005, the RFB issued 31 tax deficiency notices totaling R$ 105,560 on 9.30.2014 (R$ 95,927 on 12.31.2013), which correspond to a portion of the offset amount, alleging that, regardless of the change to the Accounting Manual by Aneel, the consumption of fossil fuel under the CCC is revenue by nature. The Company has presented an objection to all these proceedings.

Of the 31 proceedings, 16 are currently with the Administrative Council of Tax Appeals (CARF), which has already judged 11 of them, in the amount of R$ 7,005, ruling on the maintenance of the tax authority's decision. One proceeding was favorable to the Company, by unanimous vote of the body, which canceled the Provisional Decision, in the amount of R$ 117. The 4 proceedings pending judgment by CARF total R$ 17,547. Considering that CARF recorded its disagreement with the principle of substantial truth, refusing to analyze the documents attached to the records, which would evidence the regularity of information provided to the Federal Tax Authority and the inexistence of revenue in the accounting records, in disagreement with the jurisprudential understanding of that court, the Company filed an appeal with the Superior Court of Tax Appeals (CSRF). The remaining proceedings, in the amount of R$ 81,008, await the decision of the Office of the Federal Revenue Service of Brazil in Florianópolis (DRJ).

With regard to the second period, in which the merit is associated with the non-characterization of the accounting entry as revenue, given the unfavorable ruling of 11 proceedings, whose notice was received on 1.22.2014, the risk was classified as possible. The company awaits the judgment of the proceedings.

21 – RETIREMENT BENEFITS OBLIGATIONS

The Company, through PREVIG - Sociedade de Previdência Complementar, provides supplementary pension plans for its employees. PREVIG is a nonprofit closed pension entity, sponsored by the Company, as its Founder, and by other GDF-SUEZ companies in Brazil. The benefit plans managed by PREVIG are: Defined Contribution (CD) and Defined Benefit (BD), the latter closed for new adhesions.

The Company also sponsors the BD plan of Fundação Eletrosul de Previdência e Assistência Social (ELOS), also closed for new adhesions. The participants in this plan are mainly retirees that were entitled to benefits until 12.23.1997, the date of spin-off of Eletrosul, as well as participants that opted for the proportional benefit deferred until that date, who did not migrate to PREVIG.

a) Defined Benefit Plan (BD)

The breakdown of the Company's liabilities from retirement benefits is presented in the table below:

	Parent company and Consolidated					
	9.30.2014			12.31.2013		
	Current	Non-current	Total	Current	Non-current	Total
Contract for the acknowledgment of debts	10,598	83,614	94,212	21,535	55,548	77,083
Current contributions	24	-	24	872	-	872
Non-contracted deficit	18,229	101,734	119,963	6,444	134,120	140,564
Recorded actuarial liability	**28,851**	**185,348**	**214,199**	**28,851**	**189,668**	**218,519**

Retirement benefits obligations recognized are partially covered by instrument for the acknowledgment of debt and agreement entered into by the Company with respective Foundations.

Contracted debts are adjusted at the National Consumer Price Index (INPC), and also interest of 6% p.a. is levied on them. Contracted amounts presented in non-current liabilities are expected to be realized as follows:

	ELOS	PREVIG	Total
October to December 2015	941	484	1,425
2016	4,089	2,126	6,215
2017	4,334	2,254	6,588
2018	4,594	2,389	6,983
2019	4,870	2,532	7,402
2020 to 2024	25,835	8,642	34,477
2025 to 2029	17,892	-	17,892
2030 to 2033	2,632	-	2,632
	65,187	**18,427**	**83,614**

The changes in "Retirement benefits obligations", per plan, are summarized as follows:

	ELOS BD	PREVIG BD	PREVIG BSPS	GC	Total
Liabilities recorded on 12.31.2013	**210,026**	**5,847**	**-**	**2,646**	**218,519**
Cost of current service	-	27	-	61	88
Interest on liabilities, net of assets	18,262	295	(24)	197	18,730
Contributions	-	(1,275)	-	-	(1,275)
Payment of obligations contracted	(19,185)	(2,442)	(236)	-	(21,863)
Liabilities recorded on 9.30.2014	**209,103**	**2,452**	**(260)**	**2,904**	**214,199**

Breakdown of net expenses to be recognized in the income statement from October to December 2014, related to the defined benefit plan and to the confidentiality bonus is as follows:

	ELOS BD	PREVIG BD	PREVIG BSPS	GC	Total
Cost of current service	-	9	-	20	29
Interest on liabilities, net of assets	6,087	98	(8)	67	6,244
Net expense	**6,087**	**107**	**(8)**	**87**	**6,273**

a.1) Confidentiality bonus benefit

Refers to the payment of remuneration to manager-level employees upon the termination of their employment.

b) Defined Contribution Plan (CD)

In addition to the defined benefit plan, PREVIG manages the defined contribution plan whose benefits are supported by contributions of participants and the sponsoring entity. The Company's contribution corresponds to the same amount of its employees' basic contribution, limited to approximately 7% of the remuneration of the employee.

22 – DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

Deferred income and social contribution tax assets and liabilities, are presented net, as follows:

	Parent company				
	9.30.2014				12.31.2013
Description of credits	Calculation basis	IR	CS	Total	Total
Liabilities:					
Property, plant and equipment deemed cost (fair value)	798,683	199,671	71,881	271,552	288,059
Unrealized gain in swap transactions	21,991	5,498	1,979	7,477	48,076
Sale of energy in MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Incentivized accelerated depreciation	65,765	16,441	5,919	22,360	16,028
Fair value of concession payable	44,097	11,024	3,969	14,993	15,557
Other	727	183	66	249	-
Subtotal		**259,681**	**93,485**	**353,166**	**404,255**
Assets:					
RIC[16]	112,796	28,199	-	28,199	30,928
Retirement benefits obligations	119,963	29,991	10,797	40,788	38,899
Allowance for doubtful accounts	131,806	32,952	11,863	44,815	44,815
Tax, civil and labor provisions	199,877	49,969	17,989	67,958	62,455
Provision for impairment	61,160	15,290	5,504	20,794	23,358
Fair value adjustment in business combinations	91,877	22,969	8,269	31,238	30,626
Adjustment to present value	14,299	3,575	1,287	4,862	4,718
Provision for debit at CCEE (CNPE 03)	-	-	-	-	15,761
Other	29,148	7,287	2,625	9,912	11,653
Subtotal		**190,232**	**58,334**	**248,566**	**263,213**
Net total		**69,449**	**35,151**	**104,600**	**141,042**

[16]Interest on property, plant and equipment in progress (RIC)

Description of credits	Consolidated				
	9.30.2014				12.31.2013
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Property, plant and equipment deemed cost (fair value)	798,683	199,671	71,881	271,552	288,059
Unrealized gain in swap transaction	21,991	5,498	1,979	7,477	48,076
Sale of energy in MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Incentivized accelerated depreciation	142,285	35,571	12,806	48,377	42,044
Fair value for concession payable	44,097	11,024	3,969	14,993	15,557
Other	727	183	66	249	-
Subtotal		**278,811**	**100,372**	**379,183**	**430,271**
Assets:					
RIC	112,796	28,199	-	28,199	30,928
Retirement benefits obligations	119,963	29,991	10,797	40,788	38,899
Allowance for doubtful accounts	133,943	33,486	12,055	45,541	45,535
Tax, civil and labor provisions	202,347	50,588	18,212	68,800	63,330
Provision for impairment losses	61,160	15,290	5,504	20,794	23,358
Fair value adjustment with business combination	91,877	22,969	8,269	31,238	30,626
Adjustment to present value	14,353	3,588	1,291	4,879	4,718
Provision for debit at CCEE (CNPE 03)	-	-	-	-	18,412
Adjustment to the fair value of property, plant and equipment	41,981	10,495	3,777	14,272	14,968
Tax loss and negative social contribution basis	18,661	4,665	1,709	6,374	-
Other	34,384	8,596	3,096	11,692	13,409
Subtotal		**207,867**	**64,710**	**272,577**	**284,183**
Net total		**70,944**	**35,662**	**106,606**	**146,088**
Classification in the balance sheet					
Liabilities		82,808	39,930	122,738	163,663
Assets		(11,864)	(4,268)	(16,132)	(17,575)
Total		**70,944**	**35,662**	**106,606**	**146,088**

Presentation of deferred taxes

The Company presents the deferred tax liabilities net of assets, when they correspond to the same tax entities and there is the enforceable right and the intention of Company management to realize these at their net value.

Expected realization

The horizon of realization of assets and of payment deadlines of liabilities was estimated as follows:

	Parent company		Consolidated	
	Assets	**Liabilities**	**Assets**	**Liabilities**
October to December 2014	6,828	4,917	14,363	4,917
2015	34,153	24,243	36,923	24,243
2016	52,308	23,826	53,475	23,826
2017	22,526	19,771	23,615	19,771
2018	63,730	18,227	64,706	18,227
2019 to 2021	23,094	105,927	26,013	107,553
2022 to 2024	8,543	64,890	11,420	69,768
2025 onwards	37,384	91,365	42,062	110,878
	248,566	**353,166**	**272,577**	**379,183**

23 - SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$ 5,000,000, by resolution of Board of Directors, regardless of any amendment to its bylaws. Under the BM&FBOVESPA's New Market listing regulations, the Company cannot issue preferred shares or founder shares.

b) Subscribed and paid-in capital

As of 9.30.2014 and 12.31.2013, the Company's fully subscribed and paid-in capital is R$ 2,445,766, represented by 652,742,192 registered common shares without par value. The book value of the share in Reais, on 9.30.2014, is R$ 8.30 (R$ 8.21 for each share on 12.31.2013).

The breakdown of the Company's shareholding structure on 9.30.2014 and 12.31.2013 is as follows:

Shareholders	**% of capital**
GDF SUEZ Energy Latin America Participações Ltda. (GSELA)	68.71
Banco Clássico S.A.	10.00
Other shareholders	21.29
	100.00

As of 9.30.2014 and 12.31.2013, the number of Company's shares held by the controlling shareholder GSELA was 448,512,633. On the same dates, the administrators of the Company had 380,132 and 309,632 shares, respectively.

c) Other comprehensive income

Refers to deferred actuarial gains and losses and the asset valuation adjustment related to the cost attributed to property, plant and equipment, which is recorded in this group because there is no other appropriate option in the standard form of CVM's "EmpresasNet – ENET" System.

24 – RECONCILIATION OF NET REVENUE

In compliance with the requirements of CPC 30 - Revenues, the table below presents the reconciliation between gross operating income and net sales:

	Parent company			
	3rd Quarter		9-month period	
	2014	2013	2014	2013
GROSS OPERATING INCOME				
Electrical energy distributors	602,558	474,663	1,660,128	1,421,263
Electrical energy traders	356,719	273,657	1,146,432	896,904
Free consumers	60,220	55,257	181,525	159,371
Transactions in the short-term market	178,457	189,999	416,401	414,584
Revenue re-composition on CCEE	111,155	-	111,155	-
Other revenues	12,992	13,521	44,493	42,015
	1,322,101	**1,007,097**	**3,560,134**	**2,934,137**
DEDUCTIONS FROM OPERATING INCOME				
Pis and Cofins	(105,943)	(84,660)	(301,386)	(244,184)
ICMS	(4,330)	(4,933)	(15,046)	(14,400)
ISS	(352)	(357)	(1,038)	(1,059)
Research and development	(9,820)	(8,536)	(21,139)	(25,320)
	(120,445)	**(98,486)**	**(338,609)**	**(284,963)**
NET SALES	**1,201,656**	**908,611**	**3,221,525**	**2,649,174**

	Consolidated			
	3rd Quarter		9-month period	
	2014	2013	2014	2013
GROSS OPERATING INCOME				
Electrical energy distributors	868,962	767,737	2,435,970	2,282,596
Electrical energy traders	52,860	68,492	215,121	210,407
Free consumers	636,670	543,931	1,847,777	1,609,732
Transactions in the short-term market	230,501	191,339	583,404	425,161
Revenue re-composition on CCEE	111,155	-	111,155	-
Other revenues	7,920	9,028	34,243	35,262
	1,908,068	**1,580,527**	**5,227,670**	**4,563,158**
DEDUCTIONS FROM OPERATING INCOME				
Pis and Cofins	(155,834)	(136,903)	(443,909)	(392,255)
ICMS	(4,369)	(16,715)	(15,085)	(59,730)
ISS	(352)	(357)	(1,038)	(1,059)
Research and development	(10,948)	(10,090)	(23,228)	(29,406)
	(171,503)	**(164,065)**	**(483,260)**	**(482,450)**
NET SALES	**1,736,565**	**1,416,462**	**4,744,410**	**4,080,708**

25 - DETAIL OF OPERATING EXPENSES BY NATURE

a) Costs of electrical energy production and services rendered:

	Parent company							
	3rd Quarter				9-month period			
	Energy Sold		Services Rendered		Energy Sold		Services Rendered	
	2014	2013	2014	2013	2014	2013	2014	2013
Personnel	43,115	38,152	4,640	4,452	130,871	117,352	13,438	14,456
Third party services	27,425	22,612	1,320	1,142	74,817	65,424	2,946	2,936
Material	6,308	7,247	385	303	18,852	19,234	872	751
Fuel for generation	46,646	1,471	-	-	137,888	26,636	-	-
Royalties[17]	39,702	37,627	-	-	103,590	79,333	-	-
Depreciation and amortization	91,926	89,908	-	-	283,824	267,056	-	-
Insurance	3,080	2,527	(21)	79	8,334	7,577	238	253
Inspection fee	2,598	2,590	-	-	7,816	7,772	-	-
Rents	710	815	215	254	2,286	2,295	656	777
Reversal of prescribed liabilities[18]	-	-	-	-	(54,799)	-	-	-
Other	2,100	6,949	28	13	6,508	12,216	61	(75)
	263,610	**209,898**	**6,567**	**6,243**	**719,987**	**604,895**	**18,211**	**19,098**

	Consolidated							
	3rd Quarter				9-month period			
	Energy Sold		Services Rendered		Energy Sold		Services Rendered	
	2014	2013	2014	2013	2014	2013	2014	2013
Personnel	44,241	38,975	4,640	4,452	134,192	120,295	13,438	14,456
Third party services	36,143	29,985	1,320	1,142	99,537	87,192	2,946	2,936
Material	7,270	8,852	385	303	22,263	22,486	872	751
Fuel for generation	51,741	4,810	-	-	152,735	38,452	-	-
Royalties	45,341	44,505	-	-	123,111	99,341	-	-
Depreciation and amortization	143,099	145,561	-	-	435,869	427,517	-	-
Insurance	3,790	3,222	(21)	79	10,563	10,368	238	253
Inspection fee	3,236	3,205	-	-	9,574	9,617	-	-
Rents	1,618	1,303	215	254	4,962	3,526	656	777
Reversal of precribed liabilities	-	-	-	-	(54,799)	-	-	-
Other	3,135	7,501	28	13	7,722	13,238	61	(75)
	339,614	**287,919**	**6,567**	**6,243**	**945,729**	**832,032**	**18,211**	**19,098**

[17]Compensation for the use of water resources.

[18] Reversal of prescribed liabilities related to the purchase of energy and transmission charges.

b) Selling, general and administrative expenses

	Parent company							
	3rd Quarter				9-month period			
	Selling		General and administrative		Selling		General and administrative	
	2014	2013	2014	2013	2014	2013	2014	2013
Personnel	1,367	1,198	17,478	16,059	4,965	4,252	54,524	49,451
Management	-	-	5,424	4,497	-	-	15,524	13,371
Third party services	74	164	9,147	8,895	206	426	26,130	28,416
Material	6	7	313	619	11	17	975	1,437
Depreciation and amortization	-	-	1,975	1,815	-	-	5,919	6,022
Rentals	52	50	1,366	1,288	165	161	4,380	3,432
Advertising and publicity	-	-	801	987	-	-	2,536	2,948
Indemnifications	-	-	224	662	-	-	579	2,040
Administrative expenses of pension funds	-	-	1,122	1,316	-	-	3,352	3,669
Contributions and donations	791	1,003	1,075	942	2,432	3,044	4,032	3,050
Other	119	-	1,864	2,256	233	-	6,966	7,043
	2,409	**2,422**	**40,789**	**39,336**	**8,012**	**7,900**	**124,917**	**120,879**

	Consolidated							
	3rd Quarter				9-month period			
	Selling		General and administrative		Selling		General and administrative	
	2014	2013	2014	2013	2014	2013	2014	2013
Personnel	1,367	1,198	17,853	16,557	4,965	4,252	55,609	50,584
Management	-	-	5,754	4,870	-	-	16,794	14,415
Third party services	832	1,570	9,551	9,509	3,211	4,284	27,659	30,349
Material	6	7	316	624	11	17	984	1,448
Depreciation and amortization	-	-	1,982	1,821	-	-	5,937	6,041
Rentals	52	50	1,288	1,498	165	161	4,612	3,970
Advertising and publicity	-	-	801	987	-	-	2,536	2,948
Indemnifications	-	-	224	661	-	-	1,540	2,104
Administrative expenses of pension funds	-	-	1,122	1,316	-	-	3,352	3,669
Contributions and donations	1,302	1,585	4,836	1,127	3,919	4,590	7,995	3,784
Other	271	26	2,055	2,558	701	27	7,635	7,259
	3,830	**4,436**	**45,782**	**41,528**	**12,972**	**13,331**	**134,653**	**126,571**

26 – FINANCIAL RESULT

	Parent company			
	3rd Quarter		9-month period	
	2014	2013	2014	2013
Financial income				
Income from marketable securities	11,547	13,958	43,959	34,735
Income from restricted deposits	884	295	2,427	653
Interest on accounts receivable	1,359	4,000	6,786	7,391
Monetary variation on judicial deposits	2,772	2,295	8,120	6,566
Financial gain from lawsuit	5,906	-	11,032	29,256
Early settlement gain from debt	-	49,126	-	49,126
Financial charges on prescribed liabilities[19]	-	-	61,408	-
Other financial income	197	358	4,005	3,114
	22,665	**70,032**	**137,737**	**130,841**
Financial expenses				
Interest on:				
Loans and financing	23,987	12,510	71,567	33,202
Debentures	-	2,968	4,421	13,721
Concessions payable	37,479	23,190	109,486	66,714
Retirement benefits obligations	6,243	4,967	18,730	14,902
Provisions	2,557	2,067	8,385	7,014
Monetary variation on:				
Loans and financing	1,184	287	7,044	4,186
Debentures	-	717	6,101	11,064
Concessions payable	(7,725)	17,069	40,393	32,801
Provisions	916	592	6,651	4,767
Exchange rate variation on loans	3,303	14,189	(5,266)	29,601
Other financial expenses	2,422	4,976	11,147	13,387
	70,366	**83,532**	**278,659**	**231,359**
Financial expenses, net	**47,701**	**13,500**	**140,922**	**100,518**

[19] Reversal of charges on prescribed liabilities related to the purchase of energy and transmission charges

	Consolidated			
	3rd Quarter		9-month period	
	2014	2013	2014	2013
Financial income				
Income from marketable securities	19,653	21,846	67,651	52,575
Income from restricted deposits	3,563	2,639	9,679	6,588
Interest on accounts receivable	2,767	2,196	7,448	6,542
Monetary variation on judicial deposits	2,803	2,327	8,220	6,664
Financial gain from lawsuit	5,906	-	11,032	29,256
Early settlement gain from debt	-	49,126	-	49,126
Financial charges on prescribed liabilities	-	-	61,408	-
Other financial income	231	411	4,215	3,267
	34,923	**78,545**	**169,653**	**154,018**
Financial expenses				
Interest on:				
Loans and financing	60,343	53,632	179,976	153,845
Debentures	-	2,968	4,421	13,721
Concessions payable	38,562	34,657	112,673	100,408
Retirement benefits obligations	6,243	4,967	18,730	14,902
Provisions	2,599	2,091	8,498	7,091
Monetary variation on:				
Loans and financing	1,184	287	7,044	4,186
Debentures	-	717	6,101	11,064
Concessions payable	(7,415)	19,446	42,418	49,699
Provisions	924	658	6,780	4,898
Exchange rate variation on loans	3,303	14,189	(5,266)	29,601
Other financial expenses	3,666	6,876	16,193	16,864
	109,409	**140,488**	**397,568**	**406,279**
Financial expenses, net	**74,486**	**61,943**	**227,915**	**252,261**

27 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent company							
	3rd Quarter				9-month period			
	2014		2013		2014		2013	
	IR*	CS**	IR*	CS**	IR*	CS**	IR*	CS**
Income before taxes	**747,840**	**747,840**	**574,199**	**574,199**	**1,264,742**	**1,264,742**	**1,648,226**	**1,648,226**
Standard rates	**25%**	**9%**	25%	9%	**25%**	**9%**	25%	9%
Tax expense at standard rates	**(186,960)**	**(67,306)**	**(143,550)**	**(51,678)**	**(316,186)**	**(113,827)**	**(412,057)**	**(148,340)**
Permanent differences:								
Equity in net income of subsidiaries	28,454	10,243	12,029	4,330	51,643	18,591	36,361	13,090
Tax incentives	6,697	-	6,888	-	11,868	-	15,352	-
Interest on equity	-	-	-	-	(9,945)	(3,585)	-	-
Other	(851)	(97)	(700)	(131)	(2,331)	(293)	(2,285)	(383)
	(152,660)	**(57,160)**	**(125,333)**	**(47,479)**	**(264,951)**	**(99,114)**	**(362,629)**	**(135,633)**
Breakdown of taxes in the income statement								
Current	(157,702)	(59,303)	(158,905)	(59,892)	(291,024)	(109,483)	(392,287)	(147,292)
Deferred	5,042	2,143	33,572	12,413	26,073	10,369	29,658	11,659
	(152,660)	**(57,160)**	**(125,333)**	**(47,479)**	**(264,951)**	**(99,114)**	**(362,629)**	**(135,633)**
Effective rate	**20.4%**	**7.6%**	**21.8%**	**8.3%**	**20.9%**	**7.8%**	**22.0%**	**8.2%**

	Consolidated							
	3rd Quarter				9-month period			
	2014		2013		2014		2013	
	IR*	CS**	IR*	CS**	IR*	CS**	IR*	CS**
Income before taxes	**795,784**	**795,784**	**597,541**	**597,541**	**1,341,264**	**1,341,264**	**1,711,522**	**1,711,522**
Standard rates	**25%**	**9%**	25%	9%	**25%**	**9%**	25%	9%
Tax expense at standard rates	**(198,946)**	**(71,621)**	**(149,385)**	**(53,779)**	**(335,316)**	**(120,714)**	**(427,881)**	**(154,037)**
Permanent differences:								
Difference between taxable and presumed profit calculation basis	3,988	588	1,430	401	10,932	2,815	6,770	2,114
Tax incentives	6,697	-	6,888	-	11,868	-	15,352	-
Interest on equity	-	-	-	-	(9,945)	(3,585)	-	-
Other	607	1,127	(1,214)	(339)	1,940	1,941	(2,796)	(610)
	(187,654)	**(69,906)**	**(142,281)**	**(53,717)**	**(320,521)**	**(119,543)**	**(408,555)**	**(152,533)**
Breakdown of taxes in the income statement								
Current	(185,694)	(69,536)	(175,140)	(65,873)	(348,808)	(130,738)	(434,353)	(162,802)
Deferred	(1,960)	(370)	32,859	12,156	28,287	11,195	25,798	10,269
	(187,654)	**(69,906)**	**(142,281)**	**(53,717)**	**(320,521)**	**(119,543)**	**(408,555)**	**(152,533)**
Effective rate	**23.6%**	**8.8%**	**23.8%**	**9.0%**	**23.9%**	**8.9%**	**23.9%**	**8.9%**

** IR – Income tax*

*** CS – Social contribution*

28 - RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Risk Management

In order to conduct more efficiently risk evaluation and monitoring process in its business, the Company has the Risk Management Committee, which is responsible for: (i) internally promote the awareness on risk treatment; (ii) define goals and guidelines for its management; (iii) promote and suggest improvements in its evaluation processes; and (iv) classify and define control procedures.

The Company's business, the financial conditions and the results of operations may be adversely affected by any of the risk factors described below:

a.1) Market risk

The Company and its subsidiaries use financial instruments with the objective of hedging assets and liabilities, minimizing exposure to market risks, mainly in connection with interest rate, price indexes and currency fluctuations.

These risks are monitored by the Financial Committee that periodically evaluates the Company's exposure and propose operating strategies, control system and position and credit limits with other market partners. The Company does not perform financial operations in derivatives or any other instruments on a speculative basis.

In the six-month period ended on 9.30.2014, there were no changes in the Company's exposure to market risks or in the management and measurement of these risks, other than the following transaction.

Fair value hedge

As mentioned in Note 14 - Loans and Financing, when the Company signed a loan agreement with HSBC USA in March 2014, it simultaneously contracted a swap operation from HSBC's Brazilian subsidiary (HSBC Brasil) to protect all future payments of principal and interest, including income tax on the payments, from the fluctuations in the U.S. dollar and interest rates. This operation is similar to the operation contracted in August 2013, also with HSBC USA and its Brazilian subsidiary.

Due to the characteristics of referred financial instruments, the Company applied the rules of fair value hedge accounting to record them. As a result, both the hedge instrument (swap) and the loan underlying the hedge are measured at fair value through profit or loss, thus fully protecting the Company from fluctuations of the U.S. dollar.

On 9.30.2014, the values of the financial instruments assessed at their amortized costs and fair values were as follows:

Financial instrument	Notional value	Maturity	Interest rate	Amortized cost	Adjustment to fair value	Book balance
Loans						
HSBC USA I	US$ 90,000	Principal: 8.2015 Interest: quarterly	1.18% p.a. + 15% (tax) = 1.3882% p.a.	220,981	(865)	220,116
Swap						
Long position	US$ 90,000	Principal: 8.2015 Interest: quarterly	1.3882% p.a.	(220,981)	865	(220,116)
Short position	R$ 207,315		99.9% of the CDI	210,034	(19)	210,015
Swap result				**(10,947)**	**846**	**(10,101)**
Loans						
HSBC USA II	US$ 100,000	Principal: 3.2016 Interest: quarterly	1.215% p.a. + 15% (tax) = 1.429411% p.a.	245,295	(837)	244,458
Swap						
Long position	US$ 100,000	Principal: 3.2016 Interest: quarterly	1.429411% p.a.	(245,295)	837	(244,458)
Short position	R$ 230,940		97.0% of the CDI	232,222	(8)	232,214
Swap result				**(13,073)**	**829**	**(12,244)**

- Sensitivity analysis of the exposure to risks related to interest rates, floating rates and foreign currency quotation variation

In compliance with CVM Instruction no. 475/08 and for reference purposes, the Company prepared a sensitivity analysis on its loans, financing, debentures and concessions payable exposed to interest rate variation risks, floating rate risks and foreign currency variation risks.

The probable basic scenario as of 9.30.2015 was defined using the following assumptions available in the market:

	Position	Probable	Sensitivity		
	9.30.2014	Scenario	Probable	Δ + 25%(*)	Δ + 50% (*)
Variation of interest rates and indices:					
- TJLP	5.0%	5.0%	-	1.2 p.p.	2.5 p.p.
- CDI	10.8%	11.4%	+0.6 p.p.	3.0 p.p.	6.1 p.p.
- IPCA	6.6%	6.3%	-0.3 p.p.	1.6 p.p.	3.2 p.p.
- IGP-M	3.5%	5.7%	+2.2 p.p.	1.4 p.p.	2.8 p.p.
Currency variation:	**Currency price**				
- Euro	3.10	3.09	-0.3%	3.87	4.64

(*) Variations on probable scenario.

The probable sensitivity was calculated based on the variation between the actual indices on 9.30.2014 and their expectations for 9.30.2015. The other sensitivities shown were calculated based on the variation of 25% and 50% on the probable scenario. The additional effects that could be caused on the consolidated financial result of the Company if the scenarios materialize are the following:

Risk of variation in floating interest rates and indices:

	Balance at	Sensitivity		
	9.30.2014	Probable	Δ + 25%	Δ + 50%
Loans and financing				
- TJLP	2,388,769	-	(26,056)	(54,847)
- IPCA	158,159	435	(2,551)	(5,102)
		435	**(28,607)**	**(59,949)**
Loans with hedge				
- CDI	442,229	(2,126)	(11,195)	(22,448)
Concessions payable				
- IGP-M	1,208,397	(26,463)	(17,754)	(35,508)
- IPCA	501,242	1,826	(6,905)	(13,810)
		(24,637)	**(24,659)**	**(49,318)**
Total		**(26,328)**	**(64,461)**	**(131,715)**

Annual changes in Libor floating rate on 9.30.2014 were 0.5 p.p., and the balance of financial liability pegged to this interest rate was R$ 127,171. Eventual variations in this rate would not result in significant impacts on the Company's financial result; accordingly, its effects were not presented in the sensitivity analysis above.

Foreign exchange risk:

	Balance at	Sensitivity		
	9.30.2014	Probable	Δ + 25%	Δ + 50%
Loans and Financing				
- Euro	127,171	54	(32,102)	(64,243)

Sensitivity was not calculated for the exchange variation on the loan in U.S. dollar fully covered by hedge.

a.2) Capital management risk

The Company manages its capital so as to maximize return to investors by optimizing the debt and equity balances, seeking to structure capital and maintaining indebtedness and debt coverage ratios that provide the return to investors.

a.3) Credit risk

The transactions that are relevant to the Company’s business in which there exists credit risk are financial investments and energy sales.

- Risks related to marketable securities

The Company and its subsidiaries' financial investments follow the rule of allocating a minimum of 90% of funds to Federal Public Securities – as final purchase and/or repurchase and resale commitments – and a maximum of 10% of funds to Private Securities – acquisition of CDBs from eligible banks and repurchase and resale commitments backed by debentures issued by lease companies controlled by eligible banks.

The Company uses Fitch Ratings (Fitch), Moody's or Standard & Poor's (S&P) ratings to identify banks eligible to receive funds. They should comply with the following parameters: (i) Shareholders' equity of at least R$ 1 billion; and (ii) minimum rating equivalent to AA- (S&P and Fitch) or Aa3 (Moody's) in the domestic ambit.

The Company's available resources are allocated to a Fixed Income Exclusive Investment Fund whose policy is to allocate its equity to very low-risk assets. As of 9.30.2014, this fund had 100% of its portfolio in Brazilian government credit-risk assets, all of them with floating rates and daily liquidity, linked to Selic variation.

Following the Company's financial planning, this fund will be used in the short-term, substantially reducing the risk of any significant effects on earnings as a result of possible reduction in Brazilian economy's basic interest rate.

The "Investment and Derivatives Policy" imposes strong restrictions to the realization of derivative transactions and determines that exposures be continuously monitored in case this type of transaction is contracted. Swap transactions mentioned in Note 14 – Loans and Financing were carried out with the same counterparty of the loan, and for the exclusive purpose or hedging against foreign exchange and loan cash flow risks.

- Risks related to energy sale

In long-term agreements entered into with distributors, including Energy Trading Agreements in the Regulated Environment (CCEAR), the Company minimizes its credit risk through a mechanism for the establishment of guarantees involving customers' receivables.

In order to minimize credit risk in the agreements to sell electrical energy to free consumers, sellers and generating companies, the Company requires bank guarantee and secured CDB. For counterparties that wish to present another type of guarantee, the Company, through its credit area, analyzes and establishes, in accordance with its Credit Analysis Policy, guarantees that should be required from these counterparties.

Credits of all customers are annually revised and its exposure to several economy factors is periodically assessed, so as to maintain the diversification of its portfolio and reduce its exposure to the specific sector risk.

The Company's history of losses resulting from difficulties of banks and customers to honor their commitments is practically zero.

The Company is the guarantor of several agreements for its subsidiaries to guarantee financing.

a.4) Liquidity risk

The management of the Company's liquidity risk is under the responsibility of the Financial Committee, which manages fund raising requirements and short-, medium- and long-term liquidity by permanently monitoring forecasted and actual cash flows.

The Company, in order to ensure the capacity to pay its obligations, uses a minimum cash policy that is annually reviewed based on cash projections and monthly monitored in the Financial Committee meetings. The management of marketable securities focuses on short-term instruments, especially with daily maturities, in order to provide maximum liquidity and to cover disbursements.

The Company's cash generating feature and the low volatility in receipts and payment obligations throughout the months guarantee to the Company the stability of its flows, reducing its liquidity risk.

b) Category of relevant financial instruments

	Parent company		Consolidated	
	9.30.2014	**12.31.2013**	**9.30.2014**	**12.31.2013**
Financial assets				
Measured at fair value through profit or loss:				
Marketable securities	189,265	948,530	440,138	1,216,831
Restricted deposits	41,193	37,094	195,128	134,690
Derivative financial instrument - swap	22,345	1,115	22,345	1,115
Receivables and loans				
Cash and bank deposits	2,145	940	10,002	7,445
Trade accounts receivable	584,289	403,654	843,891	744,758
Fuel reimbursable	224,786	139,601	224,786	139,601
Receivable from sale of asset	-	86,886	-	86,886
Dividends receivable from subsidiaries	108,183	141,342	-	-
Receivables on revenue re-composition on CCEE	111,155	-	111,155	-
	1,283,361	**1,759,162**	**1,847,445**	**2,331,326**
Financial liabilities				
Measured at amortized cost:				
Suppliers	260,907	281,711	390,560	510,346
Loans and financing	741,993	1,062,213	2,725,285	3,111,809
Debentures	-	174,072	-	174,072
Concessions payable	1,664,632	1,551,828	1,709,639	1,595,169
Obligations from investment acquisition	-	-	71,621	16,419
Measured at fair value:				
Loans and financing	464,574	210,679	464,574	210,679
	3,132,106	**3,280,503**	**5,361,679**	**5,618,494**

Financial assets and liabilities measured at fair value through profit or loss are stated at prices quoted in active markets (Level 1).

c) Market value of financial instruments

In operations involving financial instruments, differences were identified only between amounts presented in the balance sheet and their market values, in loans and financing, debentures and concessions payable. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts. The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics.

	Parent Company			
	9.30.2014		12.31.2013	
	Book	Market	Book	Market
Loans and financing				
- In local currency	614,822	608,893	932,786	923,807
- In foreign currency without hedge[20]	127,171	123,757	129,427	125,520
- In foreign currency with hedge, net of swap	442,229	442,229	209,564	209,564
Debentures	-	-	174,072	175,472
Concessions payable	1,664,632	2,157,485	1,551,828	1,941,075
	2,848,854	**3,332,364**	**2,997,677**	**3,375,438**

	Consolidated			
	9.30.2014		12.31.2013	
	Book	Market	Book	Market
Loans and financing				
- In local currency	2,598,114	2,592,185	2,982,382	2,976,705
- In foreign currency without hedge	127,171	123,757	129,427	125,520
- In foreign currency with hedge, net of swap	442,229	442,229	209,564	209,564
Debentures	-	-	174,072	175,472
Concessions payable	1,709,639	2,214,313	1,595,169	1,994,190
	4,877,153	**5,372,484**	**5,090,614**	**5,481,451**

[20] Hedge accounting

29 –TRANSACTIONS WITH RELATED PARTIES

a) Amounts recognized in balance sheet accounts

	ASSETS				LIABILITIES	
	Accounts receivable				Suppliers	
	Energy	Services	Others	Dividends receivable	Energy	Dividends payable
9.30.2014						
TBLC	119,886	-	-	76,462	-	-
CEE	30,906	-	-	25,567	-	-
Lages	781	177	-	6,154	-	-
Itasa	-	1,339	-	-	6,921	-
Ceste	-	1,491	-	-	-	-
GSELA	-	-	-	-	-	578,488
Others	-	221	37	-	310	-
	151,573	**3,228**	**37**	**108,183**	**7,231**	**578,488**
12.31.2013	**92,029**	**4,042**	**2,498**	**141,342**	**4,947**	**168,207**

b) Amounts recognized in the income statement

	INCOME STATEMENT					
	Revenue			Cost	Expense	
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third parties services	Financial income
3rd quarter of 2014						
CEE	-	-	-	-	-	421
Lages	1,753	532	56	-	-	-
TBLC	315,018	-	113	-	-	-
Itasa	-	4,017	-	19,657	-	-
Ceste	-	4,474	-	-	-	-
Other	-	-	267	-	979	-
	316,771	**9,023**	**436**	**19,657**	**979**	**421**
3rd quarter of 2013	**222,090**	**8,845**	**497**	**23,936**	**283**	**3,691**

	INCOME STATEMENT					
	Revenue			Cost	Expense	
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third parties services	Financial income
First 9 months of 2014						
CEE	-	-	-	-	-	3,228
Lages	5,067	1,566	169	-	-	-
TBLC	966,301	-	338	-	-	-
Itasa	-	11,897	-	63,007	-	-
Ceste	-	13,088	-	-	-	-
Other	-	-	797	-	2,238	-
	971,368	**26,551**	**1,304**	**63,007**	**2,238**	**3,228**
First 9 months of 2013	**738,041**	**26,327**	**1,737**	**65,987**	**885**	**4,835**

The transactions with related parties carried out by the Company include basically: (i) energy purchase and sale agreements; (ii) operation and maintenance services of power plants; (iii) rendering of administrative services; and (iv) guarantees granted to third parties. Details of the most relevant transactions are as follows:

c) Future commitments

Main commitments contracted with related parties and whose recognition in the income statement will occur in future accrual periods over contract periods are as follows:

c.1) Purchase and sale of electrical energy

Contract	Average MW	Maturity	Annual adjustment index	Adjustment base date	Future commitment Base 9.30.2014
Purchase:					
TBLE - Itasa	167	2030	IGP-M	January	822,956
TBLE - Itasa	61	2030	Dollar variation + U.S. Inflation	October	528,936
Sale:					
TBLE - TBLC	1,099	2014	IGP-M	July	300,937
TBLE - TBLC	145	2015	IPCA	March	142,530
TBLE - TBLC	177	2016	IPCA	October	314,282
TBLE - Lages	16	2017	IGP-M	April	44,848
TBLC - CEE	9	2041	IPCA	October	375,258
TBLC – Trairi Project	64	2032	IPCA	December	1,760,197

In accordance with the Company's commercial policy, sales to free consumers are carried out mainly through subsidiary TBLC, which purchases energy from Tractebel Energia and from other companies in the Group in order to comply with its contractual commitments.

Electrical energy generated by Trairí wind projects is currently traded in the Free Trade Market through subsidiary TBLC.

c.2) Operation and maintenance

Related party	Maturity	Annual adjustment index	Future commitment Base 9.30.2014
Itasa	10.16.2030	IGP-M	216,322
Ceste	5.1.2025	INPC (80%) and IPCA (20%)	201,553
Lages	3.31.2015	Salary adjustment	1,187

The Company has the strategy of concentrating in Tractebel Energia the operation and maintenance of its subsidiaries' plants whenever they do not outsource these services. The negotiated prices are based on Tractebel Energia costs with personnel directly involved in the execution of these activities.

c.3) Administrative services

Tractebel Energia provides those services necessary to the administrative activities of the direct and indirect subsidiaries. Contracted amounts for the period of 4 years are initially defined based on the last billing of subsidiaries and annually adjusted at INPC. The amount annually contracted from its subsidiaries is R$ 1,737.

d) Guarantees

The Company intermediates financial contracts entered into by its direct and indirect subsidiaries with BNDES, Banks (BNDES onlending) and other financial agents. The main guarantees are shown as follow:

Bank	Type of guarantee	Amount of debt on 9.30.2014
BNDES and Banks (BNDES onlending)	Pledge of all the shares issued by the following companies: CEE, Beberibe, Pedra do Sal, Areia Branca, Ibitiúva, Fleixeiras I, Guajiru, Mundaú, Trairí and Ferrari.	1,970,978
Banco do Brasil	Pledge of all the shares issued by the indirect subsidiary Hidropower.	12,314

e) Sureties and guarantees

The Company is the guarantor of and jointly liable for energy purchase transactions of certain subsidiaries, in the amount of R$ 288,510 on 9.30.2014. The guarantees' maturities are scheduled as follows: R$ 90,984 in 2014, R$ 78,985 in 2015, R$ 16,601 in 2016, R$ 850 in 2017, R$ 17,084 in 2022, R$ 51,796 in 2023 and R$ 32,210 for an indefinite period.

f) Loan - Ibitiúva and Andrade Açúcar e Álcool (Andrade)

The indirect subsidiary Ibitiúva has a loan agreement with Andrade – its related party in the Andrade Consortium – granted for the acquisition of equipment, machinery and installations, as well as for the execution of works and services necessary for improving the production efficiency of the sugar and ethanol plant. The interest on the loan corresponds to the variation of the IPCA and the loan matures in 2025. The balance payable on 9.30.2014 is R$ 16,037.

g) Remuneration of key management personnel

The remuneration, charges and benefits related to the Management's key personnel for the periods ended on 9.30.2014 and 9.30.2013 are presented as follows. The only long-term benefit granted by the Company is the retirement benefit. The management's remuneration is not based on shares of Tractebel Energia.

	Parent company		Consolidated	
	9.30.2014	9.30.2013	9.30.2014	9.30.2013
Short-term benefits and fees	7,571	6,946	8,286	7,748
Management bonus	4,442	3,152	4,767	3,260
Post-employment benefits	332	625	383	625
Social charges	3,179	2,648	3,358	2,782
	15,524	**13,371**	**16,794**	**14,415**

30 – INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the insurance program of its parent company GDF SUEZ. The insurance is valid until 5.31.2015 and the coverage amount is R$ 11,847,174 in the parent company and R$ 15,287,369 in the consolidated statements, as shown below.

	Parent company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	6,425,760	404,844	8,258,487	445,297
Thermoelectric power plants	2,438,607	2,577,963	2,438,607	2,577,963
Complementary plants (wind, biomass and PCH)	-	-	1,124,135	442,880
	8,864,367	**2,982,807**	**11,821,229**	**3,466,140**

The maximum combined limit of indemnification for material damages and loss of profits is R$ 1,455,155 per event.

The solar power plant has insurance coverage for named perils in the amount of R$ 28,121 and expiring on 8.9.2015.

b) Engineering risks

The expansion project of Ferrari Termoelétrica S.A. has insurance coverage against engineering risk and civil liability, of R$ 81,825 and R$ 20,000, respectively, throughout the construction period.

The solar power plant has an engineering risk insurance policy with comprehensive maintenance coverage for one year after the operational startup in the amount of R$ 30,963.

c) Other coverages

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

d) Accident in 2014

In late June 2014, the Company registered accidents in two generating units of the Jorge Lacerda Thermal Power Complex and in a spillway of the Itá Hydroelectric Plant. The insurance contracted by the Company covers material damages and the effects from business interruption caused by the accidents. The Company is recognizing the indemnities as they become receivable, in case of material damages, and to the extent that the effects of business interruption are perceived. Until 9.30.2014, the downtime at the generating units subject to insurance claims resulted in a decrease in the credit position at the CCEE in the amount of R$ 187,740, of which R$ 111,155 is covered by insurance and recorded in the item "Revenue re-composition on CCEE," and R$ 76,585 correspond to franchise costs equivalent to the effects of the first 45 days of downtime at the generating unit.

31 – LONG-TERM COMMITMENTS

The Company has long-term agreements, and further information can be obtained in the financial statements of 12.31.2013.

The Company's main long-term commitments are as follows:

- Bilateral contracts for purchase and sale of electrical energy;
- Power grid connection agreements;
- Transmission and Distribution Network Usage Agreements (CUST and CUSD);
- Purchase of natural gas;
- Lease operations;
- Construction agreements; and
- Contracts for modernization of power plants.

Except the new commitments undertaken by the Company due to the acquisition of Ferrari Termoelétrica S.A., as detailed in Note 10 – Investments and the agreement for construction of the Santa Mônica Wind Farm, there was no major change in long-term commitments in the first nine months of 2014. Such commitments are listed below:

a) Additional maintenance services agreement (O&M)

The Company entered into an O&M agreement with Ferrari Agroindústria S.A., valid until February 2034. The purpose of the agreement is the provision of additional services related to the operation and maintenance of the UTE, including, but not limited to:

- Special revisions of the turbines, generators and electrical systems to be carried out every five years, as from the start-up of the generation plants or based on the manufacturer's recommendation, whichever happens first;
- Services to improve and maintain the boiler's performance;
- Other services that may be required for performing the Project.

As consideration for the services provided, the Company will pay monthly amounts restated annually by the National Consumer Price Index (IPCA) and, when applicable, as performance bonus, an amount in reais equivalent to the energy sales amount. Future obligations related to this contract on 9.30.2014 are R$ 81,139.

b) Expansion of Thermal Power Generation Plant UTE Ferrari

In February 2014, the Company entered into an agreement with Siner Engenharia e Comércio Ltda., Siner Service Comercial Ltda., and Siner Eletromecânica e Comércio Ltda. for the expansion of Thermal Power Generation Plant UTE Ferrari. Future commitments on the reference date of 9.30.2014 amount to R$ 58,271. The work is expected to be completed in August 2015.

c) Contracts for sale of electrical energy

According to data on guaranteed electrical energy and prevailing purchase and sale contracts, the Company's energy balance, already including the contracts for sale of power generated by Ferrari Termoelétrica S.A., shows that current capacity has the following contracting levels for the next six years:

	Average MW					
	2014	**2015**	**2016**	**2017**	**2018**	**2019**
Own funds	3,529	3,534	3,522	3,550	3,573	3,573
Purchase for resale	950	712	623	423	390	370
Total availability	4,479	4,246	4,145	3,973	3,963	3,943
Contracted availability	4,287	4,171	3,891	3,293	2,730	2,370
Contracted %	95.71%	98.23%	93.87%	82.88%	68.89%	60.11%

d) Contract for construction of the Santa Mônica Wind Power Project

In June 2014, the Company signed contracts with Alstom Brasil Energia e Transporte Ltda. and Bac Ltda. to execute the engineering and construction of foundations and the design, supply, transportation, assembly, installation and commissioning of wind turbines in the following companies:

- Central Eólica Trairí II Ltda;
- Central Eólica Cacimbas Ltda;
- Usina Geradora Eólica Santa Mônica SPE S.A.; and
- Usina Geradora Eólica Santa Mônica SPE II Ltda.

The future commitment assumed by the Company as consideration for the services rendered, on the reference date 9.30.2014, is R$ 369,832. The project is expected to be delivered in July 2016.

32 – ADDITIONAL INFORMATION TO THE CASH FLOW

The following main transactions that did not involve cash and cash equivalents were carried out in the periods ended on 9.30.2014 and 9.30.2013.

	Parent company		Consolidated	
	9.30.2014	9.30.2013	9.30.2014	9.30.2013
Compensation of income and social contribution taxes	12,994	69,528	16,521	70,752
Suppliers of property, plant and equipment	(7,928)	9,606	(29,357)	30,227
Capitalized interest on financing	216	-	1,246	17,172
Investment in property, plant and equipment provisioned due to estimated future disbursement	-	-	(15,088)	84,035
Remaining installments payable from investment acquisition, net of restricted deposits	-	-	13,429	15,881

33 – SUBSEQUENT EVENTS

a) Contracting of loan from HSBC USA

In October 2014, the Company contracted a loan from HSBC USA in the amount of up to US$ 80,266 (equivalent to R$ 200,000). The main conditions of the loan were the following:

- Interest: 1.7871% p.a., fixed;
- Maturity of principal: Single installment at the end of the agreement on 10.14.2016; and
- Amortization of interest: quarterly, starting on 1.14.2015 and ending on 10.14.2016.

The Company contracted a swap operation from the Brazilian subsidiary of the same financial institution that granted the loan, in the amount of R$ 200,000, through which it will keep a long position corresponding to the variation of the U.S. dollar plus interest of 1.7871% p.a. and a short position equivalent to 99% of the Interbank Deposit Certificate Rate (CDI). The maturity of the principal and the interest payments related to the loan and to the swap will occur exactly on the same dates.

b) Credit of interest on equity

At a meeting held on 10.24.2014, the Board of Directors of the Company approved the credit of interest on equity related to the period from January 1 to December 31, 2014, in the gross amount of R$ 223,000, corresponding to R$ 0.3416356453 per share.

The credit of interest on equity will be recorded in the Company's books on 12.31.2014, for shareholders of record on 11.25.2014, and the Company's shares will be traded ex-dividends as of 11.26.2014.

The interest, net of withholding income tax, will be calculated towards the minimum mandatory dividends and will be paid based on the shareholder registration information available with Itaú Unibanco Banco Múltiplo S.A. on a date to be defined later by the Board of Executive Officers and announced through a Notice to Shareholders.

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Philip Julien De Cnudde
Vice-Chairman

Manoel Arlindo Zaroni Torres
Board Member

Guy Marie Numa Joseph Ghislain Richelle
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Willem Frans Alfons Van Twembeke
Board Member

Roberto Henrique Tejada Vencato
Board Member

José Pais Rangel
Board Member

Antonio Alberto Gouvêa Vieira
Board Member

BOARD OF EXECUTIVE OFFICERS

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
CFO and Investor Relations Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Edson Luiz da Silva
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

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

IDENTIFICATION OF PROJECTIONS

a) Purpose of projection

Investments in the maintenance, revitalization and expansion of the generation facilities.

The Company's investment statements segregate values in two groups:

- Investments financed with own capital, including acquisitions, and
- Investments financed with debts, including debts assumed in the acquisitions.

Both projection models are included in item "d" below.

The projections made are merely reasonable estimates that usually depend on future events, thus cannot be regarded as a promise to perform by the Company and its managers.

b) Period projected and projection term

Tractebel Energia quarterly discloses to the market its investment projections for the current year and the two subsequent years, valid until its realization or replacement by another projection.

c) Prospect assumptions, indicating which ones can be influenced by the Company's management

The Company's projections for investment are mainly based on the following assumptions:

- Schedule for maintenance of the generating units;
- Diagnosis of equipment;
- Regulatory obligations; and
- Strategic initiatives.

The amounts informed, projected and actual, do not consider interest on construction (interest on equity capital and loan capital).

The Management can influence all assumptions, except for the regulatory obligations that are beyond its control.

In case of a significant change in the foregoing assumptions, the projections can be reviewed.

d) Value of the indicators that are the subject matter of the projection

In the Standardized Financial Statements (DFP) as of 12.31.2013 the Company disclosed the following projections for the years 2014, 2015 and 2016:

	Estimate for the next three years disclosed in the fourth quarter of 2013 DFP (in R$ million)		
Description / projection period	**2014**	**2015**	**2016**
Financed with own capital	489	739	243
Total	**489**	**739**	**243**

In the first quarter of 2014, projections were revised as follows:

	Estimates for the next 3 years disclosed in the first quarter of 2014 (in R$ million)		
Description / projection period	**2014**	**2015**	**2016**
Financed with debt	48	192	106
Financed with own capital	677	915	447
Total	**725**	**1,107**	**553**

In the second quarter of 2014, projections were revised as follows:

	Estimates for the next 3 years disclosed in the second quarter of 2014 (in R$ million)		
Description / projection period	**2014**	**2015**	**2016**
Financed with debt	48	192	106
Financed with own capital	650	915	447
Total	**698**	**1,107**	**553**

In the current quarter, the projections were revised again as follows:

	Estimates for the next 3 years disclosed in the third quarter of 2014 (in R$ million)		
Description / projection period	**2014**	**2015**	**2016**
Financed with debt	48	227	71
Financed with own capital	610	1,013	551
Total	**658**	**1,239**	**622**

Note: The above projections do not include the effects of interest on loan capital incurred on constructions.

d.1) Changes in projections for 2014 disclosed during the first quarter of 2014

Investments planned for 2014

Financed with debt:

The increase is related to CAPEX financing in the amount of R$ 48 million related to the acquisition of Ferrari Termoelétrica S.A. (Ferrari)

Financed with own capital:

The increase foreseen for 2014 is due mainly to: (i) the Campo Largo project, by R$ 65 million; (ii) the Santa Mônica wind power project, by R$ 91 million; and (iii) the Ferrari thermal power plant, by R$ 50 million.

Investments planned for 2015 and 2016

Financed with debt:

The amounts projected for 2015 and 2016 are related to the Santa Mônica wind power project.

Financed with own capital:

The increase in the amounts projected for financing with own capital for 2015 and 2016 are related chiefly to: (i) the installation of the Santa Mônica wind power project (R$ 10 million in 2015 and R$ 57 million in 2016); (ii) the expansion and modernization of the Ferrari thermal power plant (R$ 42 million in 2015); and (iii) the global revision of the program for maintenance and modernization of the Company's power plants in the long-term plan (R$ 126 million in 2015 and R$ 151 million in 2016).

d.2) Changes in estimates for 2014 made in the second quarter of 2014:

Financed with own capital:

The R$ 27 million decrease in the amount planned for 2014 is due to the adjustment of amounts related to the Trairi Complex investment.

d.3) Changes in estimates for 2014 made in the third quarter of 2014:

Investments planned for 2014

Financed with own capital:

The R$ 40 million decrease reflects the following factors: (i) decrease of R$ 54 million in the amount estimated for installation of the Santa Mônica wind power project; and (ii) increase of R$ 14 million in the amount estimated for the expansion of the Ferrari thermal power plant.

Investments planned for 2015

Financed with debt:

The R$ 35 million increase in the amount envisaged for implementation of the Santa Mônica wind power project due to the anticipation of amounts from 2016.

Financed with own capital:

The R$ 98 million increment results from the following combinations: (i) increase of R$ 121 million in the amount envisaged for the long-term maintenance program of existing units; and (ii) decrease of R$ 23 million in the amount envisaged for building and expanding new plants.

Investments planned for 2016

Financed with debt:

The R$ 35 million decrease in the amount envisaged for the implementation of the Santa Mônica wind power project due to the anticipation of these amounts to 2015.

Financed with own capital:

The R$ 104 million increase due to: (i) the increase of R$ 44 million in the long-term maintenance program of existing units; and (ii) increase of R$ 60 million in the amount envisaged for building new plants.

d.4) Investments made until the third quarter of 2014:

In the third quarter of 2014, the Company invested R$ 62 million, of which R$ 18 million in the construction and expansion of power plants, and R$ 44 million in maintenance and modernization of the Company's power plants.

In the nine six months of 2014, the Company invested R$ 431 million, of which (i) R$ 176 million in the acquisition of Ferrari Termoelétrica S.A. (Ferrari); (ii) R$ 57 million in the acquisition of CLWP Brasil II Participações Ltda. (CLWP II) and CLWP Brasil III Participações Ltda. (CLWP III); (iii) R$ 110 million in the construction and expansion of power plants (Trairi Wind Power complex, Ferrari and Santa Mônica projects), and (iv) R$ 88 million in the long-term maintenance program of its power plants.

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

Report on the review of quarterly information - ITR

To the Board Members, Directors and Shareholders of
Tractebel Energia S.A.
Florianópolis - SC

Introduction

We have reviewed the interim, individual and consolidated accounting information of Tractebel Energia S.A. (“Company”), contained in the Quarterly Information - ITR Form for the quarter ended September 30, 2014, which comprise the balance sheet as of September 30, 2014 and the related statements of income and of comprehensive income, for the three-month and nine-month periods then ended and of changes in shareholders' equity and of cash flows for the nine-month period then ended, including the summary of the main accounting policies and other explanatory notes.

The management of the Company is responsible for the preparation of the individual interim accounting information in accordance with CPC 21 (R1) - Interim Statement and of the consolidated interim accounting information in accordance with CPC 21 (R1) - Technical Pronouncement and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim information

Based on our review, we are not aware of any facts that would lead us to believe that the individual interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Conclusion on the consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other matters

Statements of added value

We also reviewed the individual and consolidated value-added statements (SVA) for the nine-month period ended on September 30, 2014, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the SVA. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

Florianópolis, October 24, 2014

KPMG Auditores Independentes
CRC SC-000071/F-8

Claudio Henrique Damasceno Reis
Accountant CRC SC-024494/O-1

Opinions and Statements/Statement of the Executive Officers on the Financial Statements

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (individual and consolidated) and also, agrees with the opinion of the independent auditors of the Company, KPMG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
CFO and Investor Relations Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

Edson Luiz da Silva
Planning and Control Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Luciano Flávio Andriani
Administrative Officer

Florianópolis, October 24, 2014

Opinions and Statements / Statement of the Executive Officers on the Independent Auditors' Report

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (individual and consolidated) and also, agrees with the opinion of the independent auditors of the Company, KPMG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
CFO and Investor Relations Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

Edson Luiz da Silva
Planning and Control Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Luciano Flávio Andriani
Administrative Officer

Florianópolis, October 24, 2014